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Figure 1. The effect of the concentration of the polymer on the polymerization of the monomer. The polymerization was carried out at 60°C for 24 h. The concentration of the monomer was 0.1 mol/L. The concentration of the polymer was 0.1, 0.2, 0.3, 0.4, 0.5, 0.6, 0.7, 0.8, 0.9, 1.0, 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 2.0, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 3.0, 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 4.0, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 5.0, 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 6.0, 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 7.0, 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 8.0, 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8, 8.9, 9.0, 9.1, 9.2, 9.3, 9.4, 9.5, 9.6, 9.7, 9.8, 9.9, 10.0, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9, 11.0, 11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7, 11.8, 11.9, 12.0, 12.1, 12.2, 12.3, 12.4, 12.5, 12.6, 12.7, 12.8, 12.9, 13.0, 13.1, 13.2, 13.3, 13.4, 13.5, 13.6, 13.7, 13.8, 13.9, 14.0, 14.1, 14.2, 14.3, 14.4, 14.5, 14.6, 14.7, 14.8, 14.9, 15.0, 15.1, 15.2, 15.3, 15.4, 15.5, 15.6, 15.7, 15.8, 15.9, 16.0, 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 16.7, 16.8, 16.9, 17.0, 17.1, 17.2, 17.3, 17.4, 17.5, 17.6, 17.7, 17.8, 17.9, 18.0, 18.1, 18.2, 18.3, 18.4, 18.5, 18.6, 18.7, 18.8, 18.9, 19.0, 19.1, 19.2, 19.3, 19.4, 19.5, 19.6, 19.7, 19.8, 19.9, 20.0, 20.1, 20.2, 20.3, 20.4, 20.5, 20.6, 20.7, 20.8, 20.9, 21.0, 21.1, 21.2, 21.3, 21.4, 21.5, 21.6, 21.7, 21.8, 21.9, 22.0, 22.1, 22.2, 22.3, 22.4, 22.5, 22.6, 22.7, 22.8, 22.9, 23.0, 23.1, 23.2, 23.3, 23.4, 23.5, 23.6, 23.7, 23.8, 23.9, 24.0, 24.1, 24.2, 24.3, 24.4, 24.5, 24.6, 24.7, 24.8, 24.9, 25.0, 25.1, 25.2, 25.3, 25.4, 25.5, 25.6, 25.7, 25.8, 25.9, 26.0, 26.1, 26.2, 26.3, 26.4, 26.5, 26.6, 26.7, 26.8, 26.9, 27.0, 27.1, 27.2, 27.3, 27.4, 27.5, 27.6, 27.7, 27.8, 27.9, 28.0, 28.1, 28.2, 28.3, 28.4, 28.5, 28.6, 28.7, 28.8, 28.9, 29.0, 29.1, 29.2, 29.3, 29.4, 29.5, 29.6, 29.7, 29.8, 29.9, 30.0, 30.1, 30.2, 30.3, 30.4, 30.5, 30.6, 30.7, 30.8, 30.9, 31.0, 31.1, 31.2, 31.3, 31.4, 31.5, 31.6, 31.7, 31.8, 31.9, 32.0, 32.1, 32.2, 32.3, 32.4, 32.5, 32.6, 32.7, 32.8, 32.9, 33.0, 33.1, 33.2, 33.3, 33.4, 33.5, 33.6, 33.7, 33.8, 33.9, 34.0, 34.1, 34.2, 34.3, 34.4, 34.5, 34.6, 34.7, 34.8, 34.9, 35.0, 35.1, 35.2, 35.3, 35.4, 35.5, 35.6, 35.7, 35.8, 35.9, 36.0, 36.1, 36.2, 36.3, 36.4, 36.5, 36.6, 36.7, 36.8, 36.9, 37.0, 37.1, 37.2, 37.3, 37.4, 37.5, 37.6, 37.7, 37.8, 37.9, 38.0, 38.1, 38.2, 38.3, 38.4, 38.5, 38.6, 38.7, 38.8, 38.9, 39.0, 39.1, 39.2, 39.3, 39.4, 39.5, 39.6, 39.7, 39.8, 39.9, 40.0, 40.1, 40.2, 40.3, 40.4, 40.5, 40.6, 40.7, 40.8, 40.9, 41.0, 41.1, 41.2, 41.3, 41.4, 41.5, 41.6, 41.7, 41.8, 41.9, 42.0, 42.1, 42.2, 42.3, 42.4, 42.5, 42.6, 42.7, 42.8, 42.9, 43.0, 43.1, 43.2, 43.3, 43.4, 43.5, 43.6, 43.7, 43.8, 43.9, 44.0, 44.1, 44.2, 44.3, 44.4, 44.5, 44.6, 44.7, 44.8, 44.9, 45.0, 45.1, 45.2, 45.3, 45.4, 45.5, 45.6, 45.7, 45.8, 45.9, 46.0, 46.1, 46.2, 46.3, 46.4, 46.5, 46.6, 46.7, 46.8, 46.9, 47.0, 47.1, 47.2, 47.3, 47.4, 47.5, 47.6, 47.7, 47.8, 47.9, 48.0, 48.1, 48.2, 48.3, 48.4, 48.5, 48.6, 48.7, 48.8, 48.9, 49.0, 49.1, 49.2, 49.3, 49.4, 49.5, 49.6, 49.7, 49.8, 49.9, 50.0, 50.1, 50.2, 50.3, 50.4, 50.5, 50.6, 50.7, 50.8, 50.9, 51.0, 51.1, 51.2, 51.3, 51.4, 51.5, 51.6, 51.7, 51.8, 51.9, 52.0, 52.1, 52.2, 52.3, 52.4, 52.5, 52.6, 52.7, 52.8, 52.9, 53.0, 53.1, 53.2, 53.3, 53.4, 53.5, 53.6, 53.7, 53.8, 53.9, 54.0, 54.1, 54.2, 54.3, 54.4, 54.5, 54.6, 54.7, 54.8, 54.9, 55.0, 55.1, 55.2, 55.3, 55.4, 55.5, 55.6, 55.7, 55.8, 55.9, 56.0, 56.1, 56.2, 56.3, 56.4, 56.5, 56.6, 56.7, 56.8, 56.9, 57.0, 57.1, 57.2, 57.3, 57.4, 57.5, 57.6, 57.7, 57.8, 57.9, 58.0, 58.1, 58.2, 58.3, 58.4, 58.5, 58.6, 58.7, 58.8, 58.9, 59.0, 59.1, 59.2, 59.3, 59.4, 59.5, 59.6, 59.7, 59.8, 59.9, 60.0, 60.1, 60.2, 60.3, 60.4, 60.5, 60.6, 60.7, 60.8, 60.9, 61.0, 61.1, 61.2, 61.3, 61.4, 61.5, 61.6, 61.7, 61.8, 61.9, 62.0, 62.1, 62.2, 62.3, 62.4, 62.5, 62.6, 62.7, 62.8, 62.9, 63.0, 63.1, 63.2, 63.3, 63.4, 63.5, 63.6, 63.7, 63.8, 63.9, 64.0, 64.1, 64.2, 64.3, 64.4, 64.5, 64.6, 64.7, 64.8, 64.9, 65.0, 65.1, 65.2, 65.3, 65.4, 65.5, 65.6, 65.7, 65.8, 65.9, 66.0, 66.1, 66.2, 66.3, 66.4, 66.5, 66.6, 66.7, 66.8, 66.9, 67.0, 67.1, 67.2, 67.3, 67.4, 67.5, 67.6, 67.7, 67.8, 67.9, 68.0, 68.1, 68.2, 68.3, 68.4, 68.5, 68.6, 68.7, 68.8, 68.9,

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The week in London and Sharp setback for Equities

Nerves of steel have been the main investor prerequisite this week for not only has the economic news been bad but it has come largely out of the blue. The market expected Tuesday to produce another set of poor trade figures but a visible deficit of £298m. for October was a disaster—and a positive embarrassment for those Ministers in pursuit of all-out economic growth.

Moreover, the gravity of the day—Bank minimum lending rate raised to 13 per cent. and an official call for a further 2 per cent. of special deposits—was made worse by the declaration of a national state of emergency with the Government going over onto the offensive in its bargaining with the unions. The mine workers' over-time ban—with all it implies against a background of reduced oil supplies—sparked off this latest confrontation, and

of payments, and this has only added to the sheer size of some of the recent price reversals in London. Land Securities, for example, is this week down 37p to 235p. The one bright spot was the nine time oversubscription for Christie's offer for sale.

Textiles: High profits and low ratings

When textile giants like Courtaulds and Coats Patons can report half year profits almost doubled and up 52 per cent. respectively—with smaller groups like Joseph Dawson up 160 per cent. at the half-way mark—it seems pretty unfair that all three are on prospective p/e's in the 6 to 7 range.

Prospective is the key word. When those p/e's are historic, we will be into 1974 and a new ball game as far as some analysts are concerned. They are worried about the likely trend of consumer spending in the U.K.; problems with raw material and labour shortages; and the general fear of a power crisis and plants out of action. Shareholders looking for comfort, however, may be more inclined to look at the 37 per cent. jump in Courtaulds' export sales; a Dawson export ratio now approaching 50 per cent.; and the fact that over 80 per cent. of Coats' profits were earned overseas last year.

Hitting Wall Street when it's down

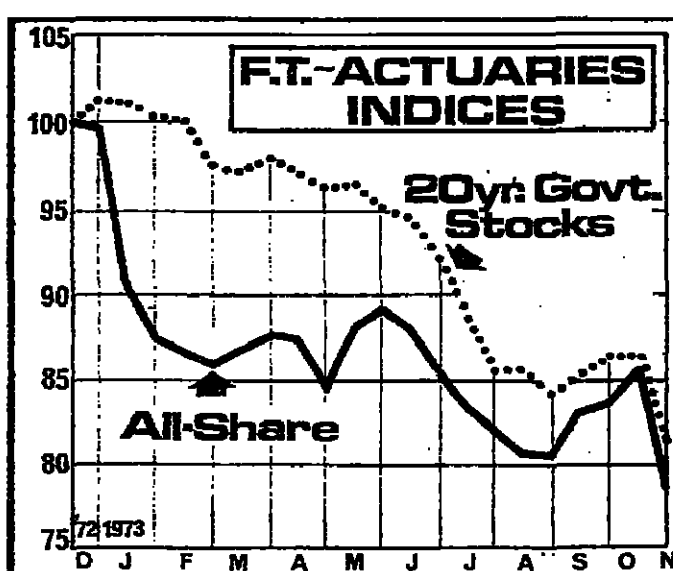
For much of this year British companies have been looking longingly at the apparently cheap p/e ratios available on Wall Street. If you really want to be a proper international trader, so the argument runs, you have to be represented in the U.S. and this is the right time to buy. The logic may have had its shaky moments lately, for the London market has been falling just as fast as Wall Street, while the dollar has been strong. But three British entrepreneurial firms—Messrs. Slater, Goldsmith and Hanson—were all in New York this week, sizing up possible takeover deals. Mr. Goldsmith, indeed, succeeded in getting as far as launching a \$62m. tender offer for 51 per cent. of the Grand Union supermarket chain. Meanwhile back in London British Oxygen was announcing its interest in making a bid for Airco, a U.S. group whose activities in gases, metals and medical equipment parallel those of BOC.

It remains to be seen how successful these British bidders will prove; in the recent past it has proved very hard for U.K. contenders to emerge on top in contested U.S. bid situations. Thus, Triumph Investment Trust and British Land were unlucky.

Grand Union is suffering badly from the suicidal competition among U.S. supermarketiers, and the \$19 a share terms give a p/e of 15 times the past 12 months' (declining) earnings, but the Board is not specifically recommending it to shareholders. As for BOC, it has already seen off one unnamed U.S. rival for Airco's hand, but these are early days (there are no terms yet).

Timber prospects

Wednesday's announcement from Mallinson of more than trebled interim pre-tax profits did not prevent the shares from falling in line with the market, and the week's events have a number of implications for the timber companies. First, the base rate increase will have more than a marginal effect on financing charges; Montague Meyer's fall of 15 per cent. on the week was very much a reflection of the E16m. of net short term borrowings in the last term sheet. The other aspect of the credit squeeze is its effect on the sector's two main customers, housing and furniture. We are likely to see a fall in the number of housing starts, both because of the necessity to tighten up on building finance and the implications for building society inflows if interest rates rise any further. Meanwhile furniture will suffer along with the rest of consumer durables.



On the brighter side the sector's asset attractions for bidders have been accentuated recently both by Parker's property revaluation and by the outside estimate of May and Hassell's net worth. Both shares hit new highs for the year on Monday. Fighting off unwelcome bids via bullish earnings forecasts seems to be out of the question, since many companies are well over their reference levels and the Price Commission is breathing down a number of necks, so the climate could be right for a spate of defensive revaluations.

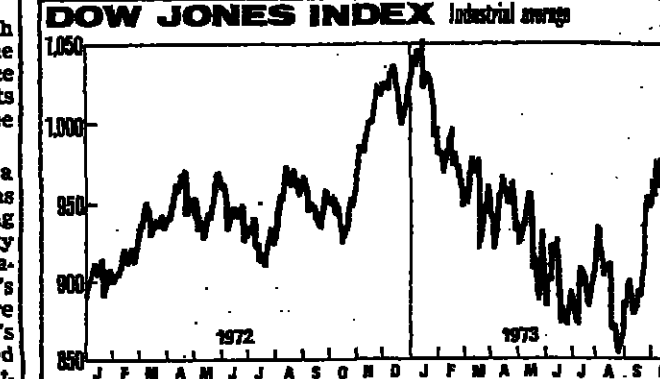
No honeymoon for Royal

On Wednesday, General Accident's marginal improvement in third quarter underwriting profits made a 1973 pre-tax total of roughly £40m. against £33.4m. look feasible. On Thursday, Royal Insurance reported a third quarter underwriting deterioration of over £12m., and overall profits targets had to be hurriedly cut back to around £40m. against £50.8m. The first explanation for this startling contrast seems to lie in GA's and 14 per cent. respectively, emphasis on personal, as there is no reason at this stage of opposition to commercial and industrial lines of business. For instance, profitability on U.K. motor is still improving for both companies, but Royal's commit-

New York Energy worries

BY NICHOLAS COLCHESTER

BY LAST Wednesday evening of the Wharton Business School one overriding fear, that the U.S. would be up to 3m. barrels of oil short of its daily requirement of 17m. barrels, had been demolished the late summer rally on Wall Street. In 13 days of trading the indices had suffered one of the most dramatic declines that brokers can remember, taking the Dow Industrial Index down 117 points to 870.



On Thursday the market staged a weak rally and yesterday the frenetic decline was replaced by an equally frenetic rise. President Nixon indicated at an end to the oil embargo and the Soviet leader, Mr. Brezhnev, stated that the U.S. and Soviet Union had a common desire to see peace re-established in the Middle East. After would reduce the number of visitors to Disney World. Earl Dow ended the week at 891.33, down 17.08 on the week. On every day except Thursday the market retreated, on volume that is usually reserved for sudden bull moves and with emphatic breadth. The Dow Jones index of utility stocks went to two successive 13-year lows and General Motors, the giant of Detroit, touched an 11-year low and was, at its Thursday night price of 50 1/2, offering a dividend yield of 9.5 per cent.—well above the rate of return on a prime corporate bond.

WORST PERFORMING SECTORS FROM NOVEMBER 12 TO 15	
	% fall
Discount Houses	19.4
Property	15.2
Hire Purchase	13.0
Contracting & Construction	11.7
Motors & Distributors	9.9
Banks	9.4
Building Materials	8.9
Engineering (Heavy)	8.7
Packaging & Paper	8.5
Shipping	8.1
All-Share Index	6.9

for the equity market the upshot was a one-day fall of 17.4 points. Over the following two days the FT Industrial (30-Share) Index eased down through the 400 level but rallied yesterday for a decline on the week of 27.7 points to 402.6.

For the fixed interest market the message this week has been no less depressing, and even gold mines lost some of their shine as an obvious hedge in time of confidence crisis. Consols 2 1/2 per cent. now yield well over 12 per cent. and any long term attractions here are still clearly a straight gamble. As for golds, the central bank's ending of their two-tier gold price system has created short-term uncertainty.

In general then the stock market must now have lost count of the number of uncertainties it faces. On Wall Street the outlook has been confused despite a clear turnaround to a surplus in the U.S. balance

MARKET HIGHLIGHTS OF THE WEEK

	Y'day	Change on Week	1973 High	1973 Low	
F.T. Ind. Ord. Index	402.6	-27.7	509.5	397.1	Govt's restrictive measures
Treasury 10 1/2% 1976	295 1/2	-3 1/2	298 1/2	294	Surprise hoist in MLR to 13%
Treasury 9 1/2% 1979	283 1/2	-3 1/2	298 1/2	283 1/2	Surprise hoist in MLR to 13%
Bardays Bank	352	-31	468	332	Further 2% special deposits
Beaverbrook 'A'	109	-20	133	89	Disappointing results
Bovis	226	-32	362	220	Mr. F. Sanderson's resignation
Broken Hill South	215	+45	216	130	Restoration of tax concession
Clarkson Int. 'A'	62 1/2	+12 1/2	67	41	Bid approach from Thorn Elect.
Forbush	293	+53	293	158	Agreed bid from Gallaier
Land Secs.	235	-37	273	157	Credit squeeze
Lowe & Brydone	83	+33	83	61	Mr. F. Sanderson acquires control
Lucas (J.)	153	-26	238	145	Disappointing results
Marley	79	-14 1/2	122	79	Credit squeeze
Nat. & Com. Banking	154	-22	216	145	Disappointing results
Palabora	440	+65	760	535	Copper price strength
Royal Ins.	277	-39	406	277	Poor third-quarter figures
Shipping Ind. Hldgs.	525	+55	535	243	Hopes of a higher offer
Turner & Newall	156	-19	228	152	General trend
U.D.T.	98	-17	126	93	Tighter money conditions
Union Discount	295	-77	510	290	Sharp fall in gilts

MINES IN THE NEWS

On the burning deck

BY KENNETH MARSTON

JUST WHEN holders of Gold shares were congratulating themselves for being able to stand coolly aloof from all the economic mayhem that was blazing around them, the ship gave a nasty lurch this week. It was caused by the news that the two-tier gold market had been abandoned.

Previously, the various countries' central banks were only supposed to deal in gold at the monetary price of \$42.22 per ounce. Now they are free to sell the metal at the much higher prices ruling on the free market. Whether they may also buy on the free market is a moot point: America says "no," France says "yes" and South Africa is going to please itself as usual.

Price uncertainty

What has unnerved the Gold share market has been the fear that central bank selling will depress the free market gold price and, worse, South Africa may retaliate by holding her gold off the market. The U.S. Federal Reserve Board chairman, however, reckons that the central banks have no intention of either selling or buying on the free market while other observers regard the latest move as a prelude to raising the monetary price to a more realistic level.

At the risk of over-simplification in what is a complicated subject, it seems unlikely that the central banks would want to sell gold, or anything else for that matter, for paper money in a world of galloping inflation. Don't you wish that you had bought that new car last year when your wife wanted you to instead of holding on to your money until to-day? It's going to cost you a good deal more, which is another way of saying that your money is now worth so much less.

We shall just have to wait and see what happens once the dust settles, but at least the bullion and share markets have behaved rather better than some others I could mention. True, gold fell \$10.95 to around \$86 at one time on Wednesday when the gold news became known, but the price rallied to end the day at \$90 and has since edged a little higher.

The share market took a nasty tumble, of course, but it has also steadied and it has been encouraging to note that there

has been very little selling in London by U.S. holders who have been sizeable buyers in recent times. In all, I am inclined to be cautious but not pessimistic.

Australian reprieve

The Australian mining market has been cheered-up by news that the Labour Government has been persuaded to defer until next June the recent budget proposal to take away the mining industry's tax concessions. So the gold industry will continue to operate on a tax-free basis instead of paying the full corporation rate of 47 1/2 per cent.

Producers of other materials such as bauxite, uranium, copper, nickel, tin and mineral sands will keep their 20 per cent. tax exemption. But the Government stands firm on its decision that there will be no exemption of tax on mining dividends. Producers of iron ore, coal, lead, zinc and silver carry on as before because they had

no concessions to lose in the first place.

The South African and Rhodesian Messina group has had a good 12 months to September 30 thanks to higher copper prices and improved fortunes of the Datsun-Nissan motor subsidiary. Profits have risen to R12.25m. (£7.61m.) against R8.7m. and the dividend total has been lifted by 5 cents to 43 cents (26.7p) out of earnings of 102 cents per share.

Taking London Metal Exchange prices, copper averaged £804 per ton in Messina's year to September 30, compared with £423 in the previous 12 months. In recent weeks the price has really taken off and, having broken all records, it has moved towards a breath-taking £1,000 per ton this week.

It may well be treading in dangerous territory now, especially if the gloomy forecasts of the likely effects of the fuel crisis on the U.S. economy turn out to be correct. Even so, Messina shares are not over-

priced and on the basis of the average copper price received in 1973-74 the group can afford to take any reasonable setback in copper in its stride and still produce respectable earnings for the current year.

The higher copper prices have been a help to Charter Consolidated in reducing the losses of its big Somima mine which is still sweating it out in the Mauretanian desert. Overall Charter has had a good half year with profits of £7.64m. against £5.99m. in the first six months of the year to last March when the total reached £12.4m. The latest interim of 3p net is equivalent to 2.86p compared with the previous year's gross interim of 2.5p.

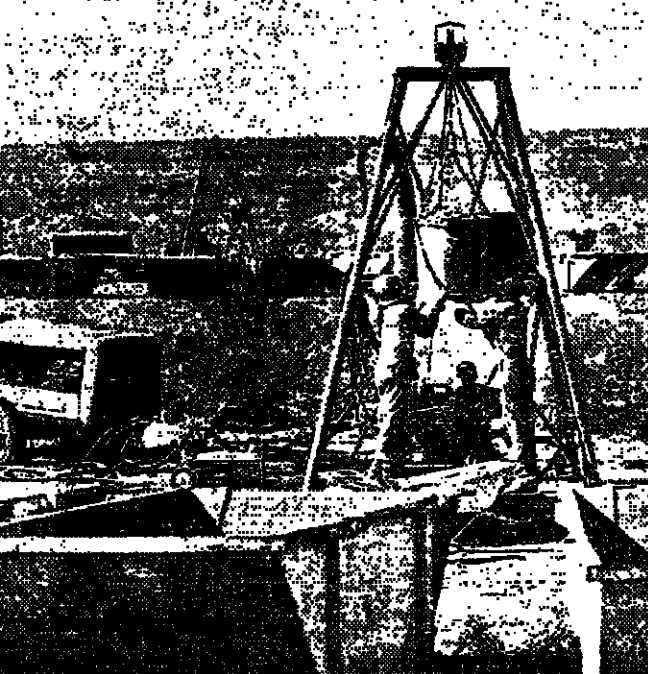
Chances are that this Anglo-American group mining finance house—a notable investor in the other mining finance houses—will do even better in the current half year providing that share-dealing profits do not fall off too much. The total revenue will also be swelled by a £6.57m. net profit made on the recent sale of the interest in Western Decalta Petroleum.

Selection Trust

Another U.K.-based mining finance house, Selection Trust—in which Charter has a 32.8 per cent. stake—has not done so well in its half year. The interim dividend has been effectively maintained at 4.375p net but net profits have eased to £2.31m. from £2.98m. at this time last year, the 1972-73 total having been £7.35m.

On the credit side, dividend income has risen, notably from American Metal Climax, Western Mining and, presumably, the Tsumba base-metal operation in South West Africa. Of mining income, the Canadian South Bay zinc mine has had a very good half year while in Australia Mount Newman has made more.

The latter has started to pay tax, however, and Selection's own provision for U.K. tax has been lifted. Profits from share dealings have fallen from the previous year's exceptionally high levels, this revenue having amounted to just on £5m. of the £12m. gross revenue received in the full year to last March. So the current full year's outcome will depend on how the increased dividend and mining revenue offsets a likely fall in that from share dealings.



A modest shaft headgear marks the birth of De Beers' potential new D/K 1 diamond mine in Botswana which could start production in 18 months' time. While expected to be a smaller mine than the group's big Orapa property, some 40 kilometres away, the newcomer contains a higher percentage of gem stones than Orapa which turns out approximately 15 per cent. gems and 85 per cent. industrial diamonds.

TV Radio

<p>BBC 1</p> <p>9.00 a.m. Barnaby Rudge</p> <p>9.30 a.m. Right Charlie</p> <p>10.00 a.m. The Saturday Club</p> <p>10.30 a.m. The Saturday Club</p> <p>11.00 a.m. The Saturday Club</p> <p>11.30 a.m. The Saturday Club</p> <p>12.00 a.m. The Saturday Club</p> <p>12.30 a.m. The Saturday Club</p> <p>1.00 a.m. The Saturday Club</p> <p>1.30 a.m. The Saturday Club</p> <p>2.00 a.m. The Saturday Club</p> <p>2.30 a.m. The Saturday Club</p> <p>3.00 a.m. The Saturday Club</p> <p>3.30 a.m. The Saturday Club</p> <p>4.00 a.m. The Saturday Club</p> <p>4.30 a.m. The Saturday Club</p> <p>5.00 a.m. The Saturday Club</p> <p>5.30 a.m. The Saturday Club</p> <p>6.00 a.m. The Saturday Club</p> <p>6.30 a.m. The Saturday Club</p> <p>7.00 a.m. The Saturday Club</p> <p>7.30 a.m. The Saturday Club</p> <p>8.00 a.m. The Saturday Club</p> <p>8.30 a.m. The Saturday Club</p> <p>9.00 a.m. The Saturday Club</p> <p>9.30 a.m. The Saturday Club</p> <p>10.00 a.m. The Saturday Club</p> <p>10.30 a.m. The Saturday Club</p> 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Unit trusts

Your savings and investments

Managers opt
or caution

CHRISTOPHER HILL

WEEKS had news about launched an Extra Yield Fund, its record trade gap and the M and G group is not too far from the worried about the situation and minimum leading rate to is thankful that its unitholders cent. came as a nasty also take that view—immediate to investment managers repurchases following the bad were just beginning to news have been negligible. With part from the continuing corporate earnings still not good company results, turning down, M and G's parent's easing trend of managers are picking up stocks rates and the market's in the market where they con- to all the bad news side that bargains exist.

question now is what views were expressed by Bar- is best and the managers' Former has been trying to add extra quality to the portfolio for a long time. Unless or whether it will stay during the current downturn is some light at the end of the interest rate tunnel, the stockmarket is bound to Barclays Unicorn Investment manager. But the bulk of new money is going into the U.S. market where they feel the economy is fundamentally right despite the current shakeout.

There has been a detect- change in the tone of unit NFI is taking an even more half-year reports—which gloomy view of world stock- started to utter guarded markets across the board and sts like "stock market reckons that while fixed interest as a whole do not look money is going into the U.S. market where they feel the economy is fundamentally right despite the current shakeout.

ever, although in recent there has been a detect- change in the tone of unit NFI is taking an even more half-year reports—which gloomy view of world stock- started to utter guarded markets across the board and sts like "stock market reckons that while fixed interest as a whole do not look money is going into the U.S. market where they feel the economy is fundamentally right despite the current shakeout.

St Giles is still an elating bull," reckoning he current level of interest cannot continue for long that the "market is now er than it was before." are is some support for this from other managers, th, understandably, they all very wary. Portfolio gers, for example, feel that is Government holding tion and that a reasonably term view can be taken urrent high interest rates. n the other hand they are immediate hurry to enter arket at this point. And lar view was expressed by ivest which feels that it hold its fire at the moment. in the long term would r be in equities than interest stocks "whatever interest rates."

the other side of the fence, r Walker (one of the est holders of cash all takes the view that est rates are now at a re realistic" level, and some they are going to remain of the new trusts have done The group is still very on the defensive but ing a "weather-eye" open heap situations. iver, having just Vavasseur Far Eastern.

GUARANTEED BONDS

edging bets

R THE past couple of this most of the life com- es which issue guaranteed me bonds have revised rates upwards and up to the economy. But meanwhile, eek ago it looked as if the Trident has just announced new t had been reached. But if high immediate annuity rates rest rates go any higher which shows that it prefers to the most competitive might have more than one string to its bow. Investors also are wise to hedge their bets.

NATIONAL SAVINGS

Future role

ut the really interesting tion is that which has loped between the Atlantic red Income Bond and the ent Gilt Edged Bond—both ighed recently. The former ally looks for a rise in rest rates since its return is ed to yields on local riority yearling bonds—with se line of effectively 6.8 per

he latter, on the other hand, s making the view that interest s will fall over the 6-year ovement's future. This week, of the bond. Although its for- ranteed income is pitched er low at between 8.88 and per cent, the early sur- der rates are linked to the al value of Treasury 9 per t. 1980, as is the maturity e (although at this point the re is a money-back rantee). what is going to happen to them o far Atlantic Assurance has e the first round and the said very little since the Page any now added a 9-year Report last August.

PERFORMANCE INDICATORS

Blue Chip Performance Indicator†	81.12	—5.50
Actuaries All-Share Index (adjusted)*	79.25	—5.85

† Calculated by taking the arithmetic mean of the price changes from the beginning of the year of the constituents of Financial Times 30 Share Index. The base value is 100 on September 29, 1972. This indicator illustrates the movement of hypothetical equity portfolio initially invested in equal amounts each constituent.

* Recalculated from 100 on December 29, 1972.

BY WILFRID PICKARD

THE oil supply crisis has trans- formed the prospects for the smokeless fuel industry. Although the present labour problems in the mines could affect the situation in the short term, the smokeless fuel producers should experience a sustained rise in demand.

Smokeless fuel provides an energy source unimpeded by Middle Eastern politics and with the interruptions to power supplies becoming a regular feature of the U.K. scene, it can provide heating totally under the control of the consumer. Similar fuel difficulties are being experienced in many overseas markets, and the next three or four years should see a return to the pre-1971 era of a suppliers' market in smokeless.

Of the three quoted companies, Coalite and Chemical Products has shown the greatest resilience through two mild winters which have generally played havoc with profitability. Annual capacity at its coalite plants has been increased 3½ times to 2m. tons since 1962. But since the completion of its £22m. expansion programme in September last year, trading conditions have been unfavourable.

The value of Coalite's output of oils and chemicals is high- lighted by the dramatic rise in

the price of imported oil feed- stocks. C and C also has an 8.3 per cent interest in Siebens (U.K.) which is exploring for oil and gas in the North and Celtic seas. At 23½p the shares yield 3.4 per cent; the p/e is 14.8. Over the medium term it should move much closer to the previous peak of 47p.

After earning £2m. in 1970-71, National Carbonising's profits slumped to £246,000 the follow- ing year; and last time it suf- fered a loss of £1.3m. The A similar collapse in profits occurred at British Benzol Carbonising. Last year saw a loss of £220,000, against 1970-71 profits of £660,000. Here again, the prospects of a turnaround are not discounted in a share price of 14½p, compared with a 1971 peak of 51p.

Progress at Arenson

THIS week's sparkling results group went all out with plans to step up production, to in- crease its share of the U.K. and overseas equipment market and to sustain a major export drive.

With around 30 per cent. of the U.K. market in wooden equipment, the "President" range has pioneered the knock-down type of desks, occupying only one-sixth of the space required on assembly, this method reduces storage and transportation costs.

Between 1968 and 1972, Aren- son expanded turnover at an annual rate of 20 per cent. During the same period the pro- fits advance averaged 27 per cent a year, rising from £100,000 in 1968 to £384,000. At that point the quality promotional material for shares at 100p are undervalued.

WHAT THE BROKERS SAY

The U.K. wool industry has been strengthened by the elimination of surplus capacity and by an improvement in productivity. After a long period of poor trading, order books are now full. BEARDSLEY AND CO. points to its return as a fashionable fibre.

There are indications that demand may be entering a downturn, but despite this, Hield Bros. and Illingworth Morris are rated in the hold category; Allied Textiles and Parkland Textiles are buys.

A major beneficiary from the higher capital spending programme envisaged for the electricity industry over the next five years should be British Insulated Callender's Cables. In the opinion of ROWE, SWANN the shares "are substantially underpriced and offer an outstanding investment opportunity."

As a new public company, Audiotronic Holdings will not suffer any restrictions on its dividend policy. MACQUIRE, ROY MARSHALL, expects the good first half results to continue throughout the rest of the year. A major distributor of hi-fi and allied equipment, the group's operations have been strengthened by the acquisition of Adler.

A long period of sustained growth by Mothercare, at a com-

pound rate of around 25 per cent, is anticipated by CHAS. W. JONES. Pre-tax profits in the first half were up by 37 per cent, based on 30 per cent. higher turnover. Overseas, the marginal loss was converted into a surplus of £228,000. The shares are highly rated, and rightly so, in the broker's view.

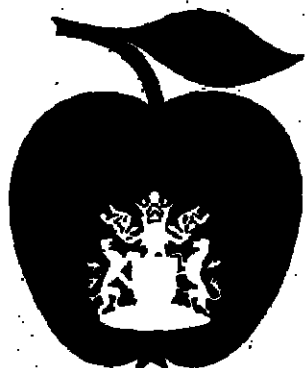
After several years of dis- appointment, Laporte Industries has turned round dramatically. Interim trading profits rose by 17½ per cent, to over £3m. Demand for its chemical products is soaring which, in the opinion of SMITH RICE AND HILL, should enable it to bring its reserves of capacity into production. "The shares look set for continued recovery."

IN BRIEF

In the last four years, English Card Clothing has increased profits from around £200,000 to £967,000. Order books are full and the high capital expenditure of recent years is now paying off. Apart from card clothing machinery there is a wire division, and the recently acquired Gill's Cables is a useful diversification. Against an asset value of 57½p, the shares at 51½p yield 5.8 per cent. The p/e is only 7.8, which leaves room for improvement. Mr. Joe Hyman now controls around 20 per cent. of the equity.

The Schroder
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Schroder Life Group, Maltravers House, 18-24 Maltravers Street, London, WC2R 3HF, (telephone 01-836 3883).



Finance and the family

Insurance

A stepmother's estate

BY OUR LEGAL STAFF

My stepmother died recently and two nieces who live near her claim her estate and will not tell me whether she left a will. Are they entitled to do either of these things? Unless the step-child has been adopted he has no claim on his step-mother's intestacy. There are ways of ensuring that notice is given of any will when it is sought to be proved (by a caveat entered at the Probate Registry) and you can search the public register to ascertain if a will has already been proved. If therefore you think you may be a beneficiary under your step-mother's will you may wish to consult a solicitor with a view to instructing him to pursue the matter.

Termination of a trust

In 1953 my mother created a discretionary trust with a life of 21 years for the benefit of my three brothers and myself, who are the trustees and beneficiaries of the fund. Next year we shall be faced with the break-up of the trust. What is the procedure please and what outside assistance will be necessary, assuming that all shareholdings are transferred to beneficiaries? What costs will be incurred? If you do not employ professional advisers you will incur no costs as such on termination of the trust. There will be charges to capital gains and presumably duty to pay on the transfer of shares. No assistance is necessary, but it would of course be wise to obtain advice to confirm that the trust does indeed terminate when you think it does, and that there are no actual or potential beneficiaries or discretionary objects who are minors or not yet born.

A discretionary trust

I have an income from a family discretionary trust. The trustees have advised me that this will involve an estate duty liability, reaching the full liability in seven years. Could you tell me how to calculate the estate duty liability? The liability will normally fall

to be calculated on the proportion of the total income of the trust fund which is actually paid to you. The amount of the liability will depend upon the amount of the fund and the extent of the estate under which liability to duty arises. You should inquire of the trustees what the liability is thought to amount to.

Reservation of benefit

More than seven years ago a woman gave her fairly large house to her daughter, but she was allowed to continue to occupy a part of it. Will it be free of duty in her estate? There was almost certainly a benefit reserved and the gift will be dutiable—however a concession might be made by the Estate Duty Office to the extent of the value of the part of the property not actually occupied by the donor.

Defining a boundary

About three years ago we told our neighbour that we proposed to put a few stone pillars to define our hitherto unmarked boundary, to which he enthusiastically agreed. Now we have a curt letter to say that two of the pillars are a few inches inside his land and must be removed forthwith. What should we do, please?

We think that you should resist any claim which your neighbour may make. There is a principle of law known as estoppel which would be a good defence to any claim which your neighbour might otherwise be able to establish—but we doubt if he could establish that the pillars were trespassing in any event. Moreover a recent decision in the Chancery Division in a case called *Willson v. Greene* [1971] 1 W L R 635 would also assist your case in showing that a general boundary may have been defined on the ground by oral agreement to marking by pegs or posts on the site. If you are sued, you should consult a solicitor and defend the action.

Permitted development

Referring to your reply of September 8 headed Permitted Development, I want to buy a derelict cottage in the Lake District National Park. Could I rebuild it without changing the original character, but without obtaining planning permission?

So long as your work of "re-building" can be characterised as alteration or repair, that is that the cottage has not been completely demolished, you should be able to effect the necessary works in the cottage without requiring planning permission. However, if you are

not on the spot when you purchase, it would be wise to retain a surveyor to advise whether or not the works you propose will fall within the exemptions of the General Development Order 1973.

Removal of a root

There is a lime tree in the public road about 12 feet from my front garden, one of whose roots is showing in my front lawn. Is it the responsibility of the local council to remove the root? If not, am I entitled to remove it, charging the council with the cost, and bearing no responsibility for any ill effect that the tree may suffer as a result?

You may remove the root yourself regardless of the effect provided the tree is not subject to a tree preservation order and likely to be killed by the removal of the root. You cannot charge the council for your act of "self-help." If the tree is damaged but not destroyed, you are not liable.

Information for district valuer

A house was left to my wife by an aunt who died 15 months ago and she has recently been asked a number of questions

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible. No charge is made for this service except in relation to investment matters.

on the present condition of the property by the District Valuer. Has he a right to this information, which seems to have nothing to do with the state of the property and its value at the date of death?

You would be entitled to require the District Valuer to take the property as it was at the date of death and to withhold information about events after that date. However it would be extremely unwise to refuse the information sought as it would not only suggest that you have something to hide, but also it would make it more difficult for you to seek to reduce the valuation proposed by the valuer if you cannot argue that he has been using material appropriate to a later date to arrive at his valuation.

Declaration of trust

A deceased is registered as absolute owner with a caution in favour of his widow of a house. In 1964 he executed a declaration of trust that he held the property upon protective trusts for the sole benefit of the widow during her life and declared himself a trustee. The deed was irrevocable. X has just taken out probate and will register this at the Land Registry and would like at the same time to transfer or assign to the vesting of the property in himself and the widow as trustees "for the purpose of giving effect to an appointment of the new trustee, that is, the widow." Will this be accepted by the registry? Will there be estate duty and if so how will it be assessed?

If the assent to the trustees contains an appointment of new trustees of the declaration of trust, or there is a separate prior deed of appointment, there is no reason why the new trustees should not be registered on production of the trust deed, probate, assent and deed of appointment (if separate). Duty will be assessed on the value of the testator's reversionary interest at the date of his death, that is, allowing the deduction of an actuarial valuation of the life interest.

But there is one very considerable difference between PHI and annual policies—all insurers take positive contractual steps to fix financial limits beyond which claims will not be paid. Generally the maximum weekly benefit is limited to three-quarters of the average weekly earnings (though a few insurers have the lower limit of two-thirds) and this limit applies not only to benefit under the particular policy, but takes into account also benefit payable under any other privately arranged cover.

Some insurers go further and require the policy holder to put

Disablement cover

BY JOHN PHILIP

CONTINUING THE discussion into the scales any benefit that is payable under the State insurance scheme. And there are other smaller variations. So in deciding how much benefit to buy the policy holder needs to be able to calculate how much he can actually claim. There is no point in paying premium for more cover than insurers will provide when the claim comes in.

This is because insurers have a natural reluctance to provide the policy holder with weekly benefit at a level higher than his average weekly income, particularly as disablement insurance benefit is received by the policy holder, by the grace of the Inland Revenue, tax free until the end of the first full fiscal year of disablement.

On his proposal form, the purchaser of annual cover has to tell insurers his age and occupation but does not normally have to disclose what his average earnings are. Thus occupation serves as a rough guide to the underwriter enabling him to decide whether the proposer is asking for a reasonable level of benefit, or one beyond his income.

Clearly any insurer setting annual cover is going to make further inquiries of the proposer who wants £20-£25 a week and with present day earnings many insurers will willingly provide up to £50 a week cover. It is beyond this that the proposer may have to show that his income justifies the benefit he wishes to buy.

The proposer under such annual disablement cover is normally precluded from going to other insurers to double up his cover by the declaration he usually has to sign saying that he has no other similar cover. When he gets his policy, usually he will find that it is subject to a condition that he must inform insurers if he buys any further disablement cover other than short period holiday travel insurance.

Proposal forms for non-cancellable disablement insurance (Permanent Health Insurance) vary considerably as to the nature of the supplementary inquiries the proposer may have to face. Here again for the most part, occupation is the yardstick that determines the amount of cover that can be bought and here again the proposer faces declarations and conditions about other disablement policies.

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Some insurers go further and require the policy holder to put

into the scales any benefit that is payable under the State insurance scheme. And there are other smaller variations. So in deciding how much benefit to buy the policy holder needs to be able to calculate how much he can actually claim. There is no point in paying premium for more cover than insurers will provide when the claim comes in.

Disability which gives rise to claim can be of two kinds, total and partial. But insurers' agreement really stops here, and taking total disability first there are many different definitions. In annual contracts many insurers provide benefit while the policy holder is totally disabled not only from his usual occupation but from any other for which he is fitted by training or experience.

With this definition, cover in annual policies is usually much wider than cover under PHI contracts—where many insurers pay benefit for example only where the policy holder is unable to follow his stated occupation and "is not following any other occupation." However, between these two extremes there are several differing definitions and the prospective policy holder must look carefully at the contract he is going to buy. Some insurers employ a dual standard definition, a narrow one for the first two years when the policy holder must not be at any work, and a wider one for longer term disablement when he is permitted to do some work so long as it is not work for which he is trained or qualified.

In annual contracts partial disablement benefit can be provided, subject to the policy holder being able to prove that examination on his return he is unable to attend to a substantial part of his work resumed.

Traditionally the benefit payable has been fixed at 10 per cent of the total disability benefit but in the particular case the individual policy holder may be able to negotiate a higher percentage.

By contrast with a PHI policy there is usually no fixed percentage but rather a proportionate benefit clause, which again is subject to minor variations from one insurer to another. With all these proportionate clauses insurers aim to reduce the total benefit payable in direct proportion to the extent that the policy holder is able to offset his loss earnings by working part time. With all disablement policies insurers accept that nowadays policy holders are unlikely to stay within the U.K. for weeks of the year. Annual disability policies covering students only usually provide world-wide cover, but some policies covering sickness and disability in Europe and North America and what might be called "white countries or temperate zones of the world."

In PHI policies insurers employ a number of different territorial limits, but whatever these are, normal practice is to restrict benefit for disability to a maximum of three months or sometimes six months. Some insurers have clauses in the policies that the policy holder travels or resides outside the stated territorial limits if more than 12 months may have his policy cancelled. Other employ suspension of cover clauses and require the policy holder to submit to medical examination on his return if he is unable to attend to a substantial part of his work resumed.

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Settlement tax reclaim

I was under the impression that the 1969 Finance Act repealed Section 228 of the Finance Act 1952 so that claims for repayment of income tax are no longer possible for minors when they attain their majority, though claims are still competent in respect of income up to April 5, 1969. How do you reconcile this with your reply of September 8 when you state that some basic rate tax may be reclaimable? Could you also say on what settlement income that investment income is payable?

Our reply did not specifically refer to a trust fund for a minor that was contingent on her attaining the age of 21, which would, of course, have had to be set up before April 6, 1969. We referred to the income being "distributed" and when this happens the beneficiary will be able to reclaim some or all of both the investment income surcharge and the basic rate tax deducted by the trustees—if her personal circumstances permit in the year in which the income is distributed.

Your remarks in connection with section 228 of the Income Tax Act 1952 are correct. With regard to your second question as to what settlement income the investment income surcharge is charged on, the actual wording of section 16 of the Finance Act 1973 is "income which is to be accumulated or which is payable at the discretion of the trustees or any other person..." Sub-section 2(b) excludes income from the charge if it is already treated as the income of the beneficiary or other person.

If the assent to the trustees contains an appointment of new trustees of the declaration of trust, or there is a separate prior deed of appointment, there is no reason why the new trustees should not be registered on production of the trust deed, probate, assent and deed of appointment (if separate). Duty will be assessed on the value of the testator's reversionary interest at the date of his death, that is, allowing the deduction of an actuarial valuation of the life interest.

TAXATION AND THE INVESTOR

Taxation changes in Europe

BY JOHN CHOWN, TAXATION CORRESPONDENT

DURING the past few months many of our Common Market partners have made or proposed changes in their tax system. Now that we are all part of EEC, readers may welcome a summary on what has been going on.

Belgium

The Belgian tax reform act will apply to 1973 income or for accounting years beginning during 1973 for tax payers making up their accounts on a basis other than a calendar year.

The numerous surcharges applying to corporate incomes have been swept aside and instead companies will pay tax at 42 per cent on their profits. Dividends paid to resident shareholders will attract imputation credit as before, but the rate has now been adjusted to 36 per cent of the distribution.

Small company relief is available where profits are less than £10,000, or about £80,000. This concession does not apply to subsidiaries or foreign companies. Branches of foreign companies pay 48 per cent, the higher rate being on account of the withholding tax that is payable on dividends distributed to their foreign parent. The tax treatment of dividends received from Belgian and foreign companies has been rationalised.

Belgian tax rates are rather higher than might appear. This is because tax is paid on an anticipated basis in the course of the year as in the U.K. There is no compulsion to make this payment but to the extent to which tax is not paid on the first available date there is a penalty surcharge of 3.75 per cent, 7.5 per cent, or 15 per cent, according to the length of the delay. The application of the highest rate would bring the effective corporation tax rate up to 48.3 per cent. Having regard to present interest rates, the effective rate comes close to the U.K. rate.

Corporate capital gains are subject to tax at half rate. A considerably tougher line is now to be taken on property development profits. A disposal of buildings is fully taxable but a deduction of 5 per cent of the acquisition price for each year beyond the first five years for which the land is held up to a maximum of 50 per cent, escapes tax. There are also a number of anti-avoidance measures which would contain no surprises to U.K. readers.

Foreign companies with German subsidiaries we hear pay rather more tax. In addition to the Federal company tax at about 12 per cent, and although this is deductible for corporation tax, the effective German rate will be high by the standards of industrial countries.

Italy

The most far reaching proposals come from Italy. Last year Parliament debated tax reform and decided that the subject was too complicated for its deliberations. It therefore authorised the Government to bring in new tax legislation by

decrees and accordingly three decrees were published on October 16. The situation is equivalent to our 1972 Finance Bill being handed down as an Order in Council and passed into law without further debate.

The new structure of personal tax, corporation tax and local tax is scheduled to come into force on January 1, 1974, but knowing the Italians one would not be surprised if there were further delays or if indeed the decrees were held to be unconstitutional.

It is proposed that the present schedule of taxes may be replaced by the single personal tax subject to different rules of computation for different incomes. Local tax would be retained for five different authorities but would be calculated on the same basis. Each authority would be entitled to vary the rate with a maximum and minimum limit. In total the rate would fall between 9.4 per cent and 14.7 per cent.

Income from dependent employment, that is, wages and salaries, is not subject to local tax and there are other exemptions designed to avoid a double charge to local tax.

Local taxes will be allowed as a deduction in calculating the income liable to national personal tax. The latter is on a scale which rises in 32 steps from 10 per cent to 72 per cent. Taking account of local tax, therefore, the effective rate could be as high as 70.12 per cent. Last year one thinks that Italy is now becoming a high tax country.

Companies will be taxed at 25 per cent and will also be subject to local taxes which in their case will not be allowed as a deduction. The effective rate will therefore be rather over 35 per cent. It seems that company dividends received will be fully subject to national income tax but they will be exempt from local tax thus giving an element of relief from double taxation. This reform does not fit naturally into EEC harmonisation trends.

Inevitably the three decrees contain a lot of detail about tax computation and various complications such as depreciation, capital gains, mergers and international income.

Netherlands

The Netherlands budget was mainly directed at the problem of inflation. It was immediately preceded by a revaluation of the

Dutch Guilder, and it was announced in the Budget that the situation would be improved in such a way that it would have to be reduced in line with the revaluation even though the traders concerned had already paid. There were some increases but the Government gave a pledge that they would not put up private consumer prices by more than 0.1 per cent.

The wealth tax is increased from 0.7 per cent to 0.8 per cent. There are surcharges on estate duty and a study is being undertaken on the introduction of a personal capital gains tax. The proposal originally introduced by the previous government of an "investment incentive in reverse" for the overcrowded parts of the country is to be enacted. Power is to be taken to constrain wages and there will be changes in the legislation affecting union activities. Formal recognition is

apparently to be given of the right to strike.

Value Added Tax

So far we have dealt only with direct taxes. There have been no dramatic developments in value added taxes although there have been a few minor changes in rates.

The most interesting development is in fact the proposal by Belgium, the Netherlands and Luxembourg to harmonise the rates and coverage of VAT between those three countries. This is ahead of any general moves towards EEC harmonisation which at present the U.K. is rightly resisting. Each of the three countries will have the right to vary the rates in each category by up to 2 percentage points for budgetary purposes. The timetable has not yet been announced.

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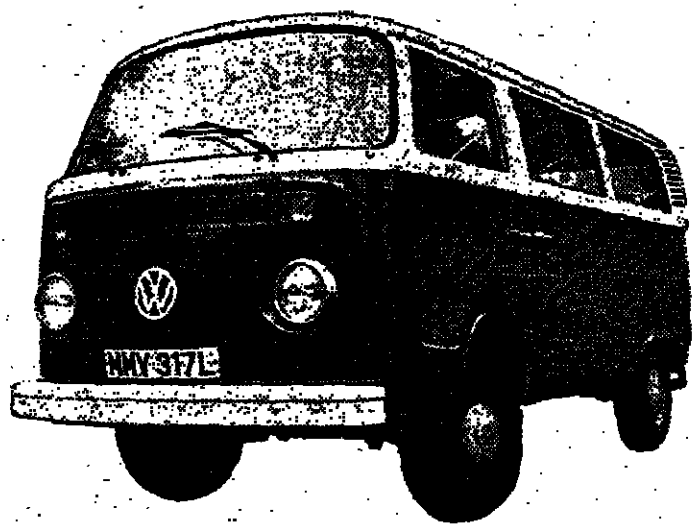
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Motoring



Room for the family

BY WILLIAM KEEGAN

SONALLY, I expect no which also happens to be from a car than the ability to place without stopping repairs. You can count me of the 0 to 60 m.p.h. in seconds brigade, and I'm not fussy about the wood lining. go further, and confess to ultimate heresy that on whole I actually favour low-ormance cars. My basic rements are therefore y simple: a reliable family and a wireless to listen to a the rest of the passengers asleep. ie further prerequisite: a bination of superstition and mazing run of bad luck, on ways makes me reluctant rive any car which is not ooled. Previous cars in my ession have overheated as uently as the British omy, and, like the British omy, at the worst possible

til recently the basic rements have been fulfilled state cars. However, at the nning of this year we grew of our estate car, and the whelming weight of advice al quarters was that we id buy a Volkswagen

part from the conventional obus, Volkswagen U.K. do a erted "caravette" version sink and gas stove and s which can be rearranged orm a bed. A more expen-model offers an elevating s well. One has the option 1600 cc or 1700 cc engine, ar I had never grasped the full uence. There have been ements, I chose the 1600 cc,

have thought of this car not so much in terms of its ability to hold the road as in its potential for taking to the air. I am told that, given the shape and weight distribution of this model, one ought not to be surprised about the way it performs in high winds. Let me just say that when this happens high up on the M1-M6 Link at Spaghetti Junction, it is useful to be acquainted with Stirling Moss's cornering technique: a lot of work with the steering wheel is necessary to avoid drifting into the next lane.

At 6,000 miles, I have other grumbles. The flexibility of the rear seating arrangements is excellent, but it would be useful if seat-belts could be provided. People can be thrown around even with the most careful driving. The ventilation leaves a lot to be desired and in our case the wireless soon needed repairing.

Nevertheless, in very many ways this car is a large family's dream. We are not exactly hearty campers, but find the sink, water supply and gas stove extremely useful for picnics. Indeed, during the gas strikes earlier this year we virtually lived in the car. I have found no other large family car which is as convenient as this, although I intend to trade it in for the higher powered version in the not-too-distant future. But be warned: one has got to be prepared to travel at low speeds in those high winds.

The price? Well how's this for inflation? In February it cost me £1,507. Now, with VAT et alia, it is £1,774 plus a "currency surcharge" of £31.90.

Golf

U.S. circuit problems

BY BEN WRIGHT

PINEHURST, NORTH CAROLINA, Nov. 18.

THE NEXT few months will be absolutely crucial in deciding the future of the American professional golf tour and business is that the leading players are only interested in taking from the game, rather than giving anything in return. For instance, at the end of the season, Nicklaus will have played in only 15 tournaments on the American circuit this year besides the three major championships here, and this is plainly not enough. There are 47 tournaments in all, and while no-one would suggest that Nicklaus should play them all, it seems important that all the players should be forced to play in at least half the tournaments being staged.

The great Arnold Palmer, who is now 44 years old, is currently playing in his 22nd tournament of the season, and one cannot but admire such loyalty. But Palmer is the kind of man who would hate not to be playing, in any case, whereas Nicklaus is very much the reverse.

Tragedy

The tragedy of the situation is that this marvellous man, was lured away from a happy job as director of the U.S. Golf Association—the country's equivalent to the Royal and Ancient Golf Club of St. Andrews—at a time when the tournament players were in open revolt against the Professional Golfers' Association. The players believed that they should have a greater share of control of their destiny and it is this attitude that has finally broken Dey's heart.

The final bitter blow to probably the greatest administrator golf has known came when his scheme to set up 15 major events at the end of the season culminating in a championship of the Tournament Players' Division, in which it would be mandatory for all the leading players to appear, was thrown out by those players in question.

It will be a terribly hard job for Dey's successor because the great man has steered the tour from a prize kitty of \$5m. in 1968 to \$8.5m. this year, but there are signs that all is not well behind the scenes.

The first World Open Championship, currently being played here has been made to look rather ridiculous. The title is a singularly hollow one because the British and U.S. Open champions, Tom Wieskopf and Johnny Miller, USPGA champion Jack Nicklaus, and the great Lee Trevino, chose to stay away. It is quite clear that sponsors will not continue to tolerate such boycotts, and there is a very real threat that the players are in danger of murdering the goose that laid the golden egg.

The players do not like the idea, as poor Dey has found to his cost, but eventually they are going to have to accept much

stricter discipline if they are to keep the sponsors happy. The tragedy of the whole business is that the leading players are only interested in taking from the game, rather than giving anything in return. For instance, at the end of the season, Nicklaus will have played in only 15 tournaments on the American circuit this year besides the three major championships here, and this is plainly not enough. There are 47 tournaments in all, and while no-one would suggest that Nicklaus should play them all, it seems important that all the players should be forced to play in at least half the tournaments being staged.

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Not a single player to whom I have spoken on the subject agrees with such a system. They all, without dissent, say that Oosterhuis should never have been subjected to such an indignity. He actually failed to re-qualify, and so his intentions to play on the American circuit were postponed by at least a year.

Most of the players to whom I have spoken admit that if a man is good enough to play in the Ryder Cup match, he is good enough to attend the school without pre-qualifying.

So who will be Dey's successor? Practically anyone one cares to name is seriously considered here in the bars and lounges of this lovely resort. Deane Beman, who was British Amateur Champion in 1959, and still runs a highly profitable insurance business, is every body's idea of the favourite, but he could be hurting his own case by pushing it so hard.

Beman is unashamedly campaigning to get the job. He would be a popular choice because he is intelligent, well-educated and extremely level-headed. He has served a term on TPD Policy Board, but for reasons best known to himself he is not a member of the PGA.

This also could go against him. Another favourite choice of those who are wagering on the outcome is the current tournament director, Jack Tutthill, a former FBI man, with an iron stay away. It is quite clear that bill has no favourites, and as a tolerant strong man, would be a sensible choice in the eyes of many, in that it is well-known that the players need a lot of careful, but firm handling.

Other players who have been mentioned in connection with the job are Gardner Dickinson and Bob Rosburg.

Bridge

Fighting for the crown

BY E. P. C. COTTER

TWO HANDS from recent made on a squeeze, unless, as championship matches have happens here, the Knave drops points of bidding and play on which I am sure you will find The next deal is more com-plex:

N.		W.		E.		S.	
♠ 874	♠ 874	♠ 874	♠ 874	♠ 874	♠ 874	♠ 874	♠ 874
♥ 874	♥ 874	♥ 874	♥ 874	♥ 874	♥ 874	♥ 874	♥ 874
♦ 874	♦ 874	♦ 874	♦ 874	♦ 874	♦ 874	♦ 874	♦ 874
♣ 874	♣ 874	♣ 874	♣ 874	♣ 874	♣ 874	♣ 874	♣ 874

After a pass from the dealer South opened the bidding with one spade, to which North replied with two diamonds. South correctly rebid three spades, and North made an advance cue-bid of four clubs, which was doubled by East for a lead. This was passed up to North who raised his partner to five spades, and South's six spades ended the auction.

West dutifully led the five of clubs, won on the table, and a spade was led to the Ace. Now the declarer led the diamond ten and finessed dummy's Queen, on which East's knave dropped. A second spade was led and the Knave finessed, losing to the Queen. This is a form of safety play—not a sure trick safety play, because it does not ensure the contract if the finesse wins. It is, in fact, a play which I christened the Unwanted Finesse, because you hope it will lose. Once the finesse had lost, the declarer was in no trouble. He won the club return, took another diamond finesse, cashed the Ace and ruffed a diamond, returning to the table with the eight of trumps to enjoy the set up diamonds and make the slam.

If the spade finesse wins, things are not so easy, though the declarer has more than one chance. He draws the trump, and plays a low heart to dummy. If West has the King, there is no further problem: if he has the Knave, the contract will be a good chess player, resigns.

Now we lead dummy's eight of hearts, which East covers with the Knave, and our Queen wins. We cross to the table with a club to the Queen and lead the six of hearts, East covers with the seven, and we win with the nine. Now we can return to dummy with the carefully preserved King of spades, which is overtaken, and lead the thirteenth diamond. East has to ruff small and we overruff.

At this stage we have made eight tricks, and we have the Ace and ten of trumps sitting over East's King and three. We cut adrift with our losing club and are about to claim the last two tricks, when East, if he is the Knave, the contract will be a good chess player, resigns.

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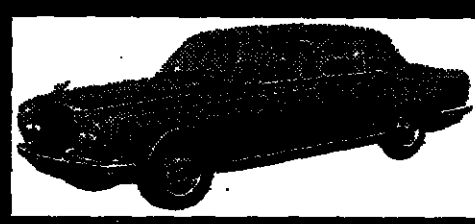
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1972 (Sept.) Silver Shadow 4-door saloon finished in Deep Indigo with beige hide upholstery. Incorporating 8 track stereo unit and automatic cruise control. One owner. Recorded mileage 17,000

1972 (March) Silver Shadow 4-door saloon finished in Willow Gold with black Everflex roof and black hide upholstery. Incorporating Lucas quartz iodine fog and spot lights and internally controlled driver's mirror. One owner. Recorded mileage 12,000

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How to spend it on her this Christmas by Lucia van der Post

Crisis Comforters

NT, personally, think of become a young classic. ing nice to find waiting Christmas morning than in the photograph Crossfox, a As the economic winds very rare cross between silver chillier, as fuel shortages and red fox, was used) it was read, as even Blue Chip just what young people wanted I have let us down, what to wear—not a formal, dow- comforting, more gerish coat, it's a mid-hip ous than a really furry

I to think that furs were regally pretty. Flatter- atus symbols for the rich, I used the very first real all I ever had to buy one- discovered that they were warmer, softer and lighter ny cloth coat that I'd ever anything to do with. fays furs are even more ing than ever before. No is it a market just for middle-aged ladies who something comfortably or jackets of fur there are hats ionable that will keep its and go on forever. Several and bright furriers have d up new markets by

fur out of the daunting dower world and g their shops much more ordinary shops and using ith a lot more gaiety and less awe. Furs is typical of the f the go-ahead furriers. An tablished furrier at 13/14, Castle Street, London, it un by a husband and wife and when the wife died nly three years ago their daughter, Diana Anker, n her mid-twenties came as well as fake racoon scarves the designing. very first thing she did for £3.75. They also do fur o dye a lot of white fox hats and have a lovely red fox electric blue, soft pink, green and so on. What Anker had to say is not on i but we gather it wasn't he'd originally had in

Anker's collection was an ous success and from it emerged this fur jacket, which graphed right, which has



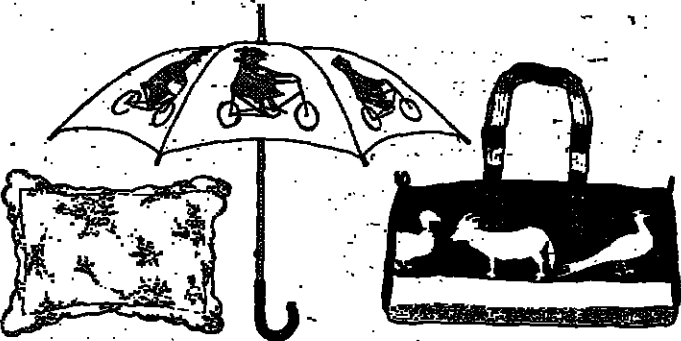
*Forties-style jacket and turban in Crossfox from Femia Furs

The jacket in our picture is 10-14, from Sheila Worth beside them. The clocks them- selves have all been made by Pontifa of Switzerland. From left to right: a faux lapl. lazuli enamel case, 1 1/2 inches square, £36.50. Brown baby crocodile case, 1 1/2 inches, £39.50 and the black calf case is 2 1/2 inches by 1 1/2 inches, £35. Bottom picture shows some fine enamelled silver designs by Celia Over whose work was exhibited at the Victoria and Albert Museum in the big Crafts exhibition last June. The designs take four weeks to order and could be asked for in turquoise, yellow or amethyst. The letter rack, which is enamelled on both sides, is £85, the letter opener, 6 inches long, is £38 beautifully-made and finished travelling alarm clocks. To give you an idea of their size, they have been

... and for fun

A FEW miscellaneous sug- handles and gaily patterned gestions, neither precious nor fabric. The one we show is outrageously expensive. For an elderly aunt or invalid there's a ravishingly pretty collection of Porthault linen at Nina Campbell of 64 Pimlico Road, London, S.W.1. The General Trading Com- pany of 144, Sloane Street, London, S.W.1, has, as always, a very good selection of presents. This great hold-all comes in bright red canvas with yellow animal frieze and striped shoulder straps. Two feet long, one foot deep it is £14.45 (p.p. 50p).

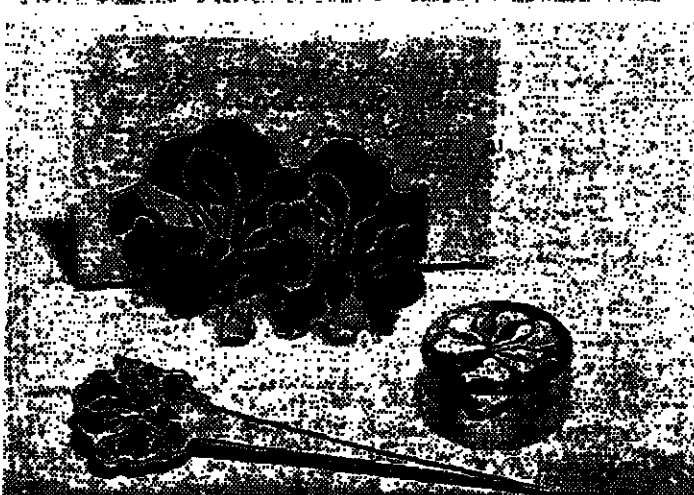
Harrods of Knightsbridge have some marvellous umbrellas, all very sturdy, with strong wooden



Drawings by Sumiko

HALCYON DAYS is a small, delectable shop at 14, Brook Street, London, W.1, which is chiefly known because one of its owners, Mrs. Susan Benjamin, was largely responsible for reviving the old art of enamelling. Her shop always has a large collection of enamels, old and new. I personally prefer the genuinely old ones and find her collection of 18th and early 19th century enamels very appealing. However, Halcyon Days is also a good source of other unusual presents and there are some fine modern designs to be found as well. There is a good, illustrated brochure which shows a large selection of what they do, so write off for that if you live out of London. At the moment she has some beautifully-made and finished travelling alarm clocks. To give you an idea of their size, they have been

photographed with a 50p piece beside them. The clocks them- selves have all been made by Pontifa of Switzerland. From left to right: a faux lapl. lazuli enamel case, 1 1/2 inches square, £36.50. Brown baby crocodile case, 1 1/2 inches, £39.50 and the black calf case is 2 1/2 inches by 1 1/2 inches, £35. Bottom picture shows some fine enamelled silver designs by Celia Over whose work was exhibited at the Victoria and Albert Museum in the big Crafts exhibition last June. The designs take four weeks to order and could be asked for in turquoise, yellow or amethyst. The letter rack, which is enamelled on both sides, is £85, the letter opener, 6 inches long, is £38 beautifully-made and finished travelling alarm clocks. To give you an idea of their size, they have been



Something old something new

JEWELLERY has several un- beatable advantages when it comes to giving presents. Firstly, there is no bother about fitting. Everything except rings (which are ordered according to size) fits everybody. Secondly, it always manages to convey an extra degree of fondness. Nobody gives jewellery as a token, duty present. And finally, it's just such a pleasure to wear and almost every jeweller will change or alter jewellery that isn't quite what the recipient wanted.

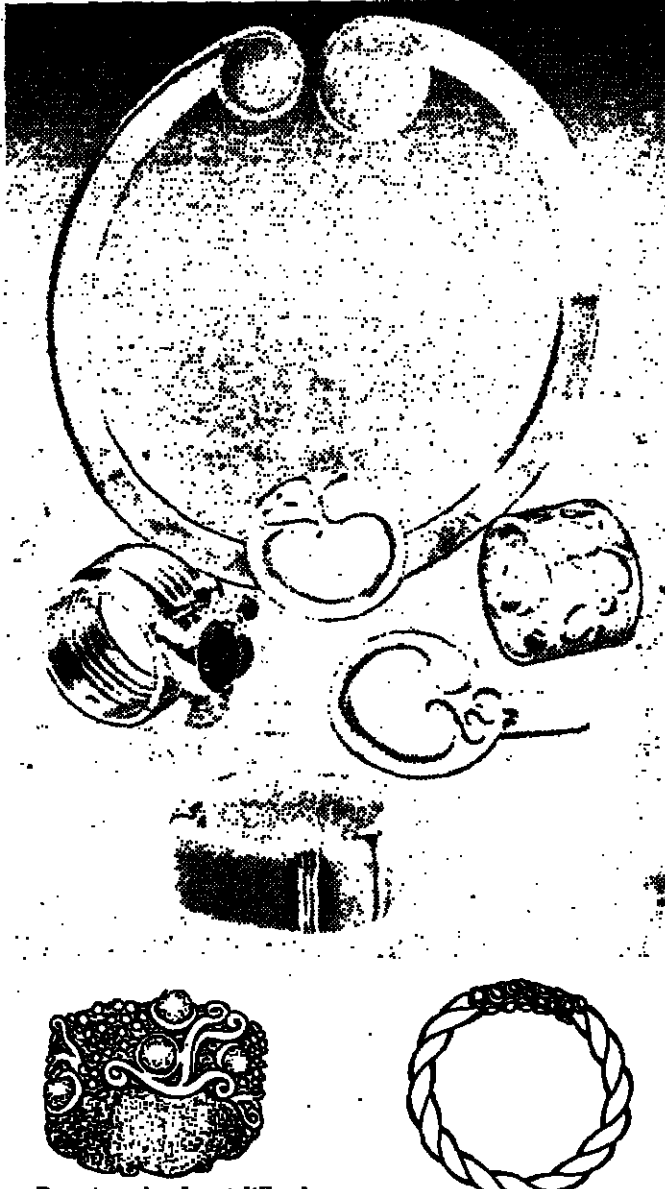
If old, antique jewellery is what you like three of the best sources in London that I know are Richard Ogden, 28/29 Burlington Arcade, London, W.1, N. Bloom and Sons, 153 New Bond Street, London, W.1 and Cameo Corner, Museum Street, London, W.C.2.

For modern jewellery there is an almost embarrassingly rich choice, so many talented young designers, do we have Booty Jewellery, at 14/15 Holborn, London, E.C.1, and at 8/9a New Bond Street, London, W.1 have done a lot to promote young designers, and this week I've chosen to illustrate the work of two new designers.

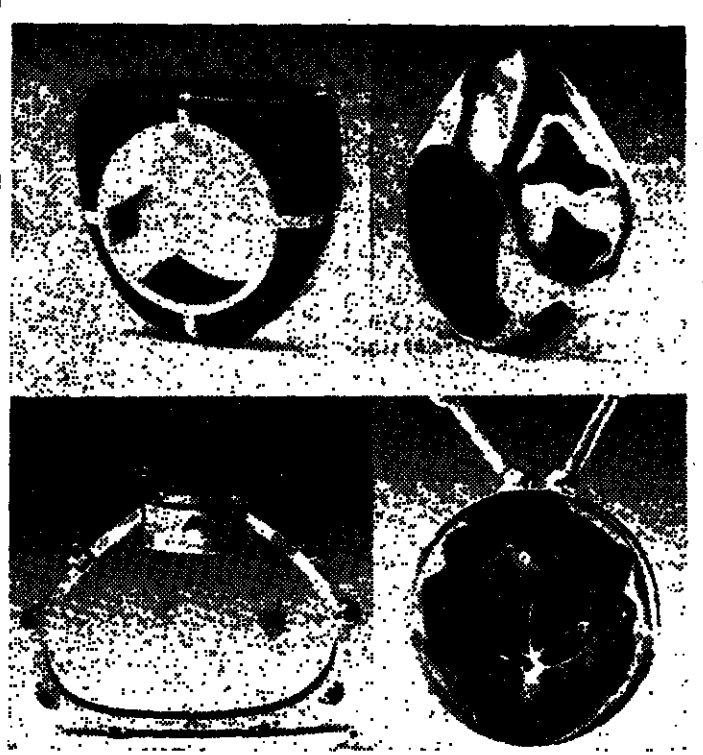
In the photograph, at the right, is the work of Carol Leonard. She is 25, studied at

Hornsey College of Art. At the back in our photograph, propped upright, is a bracelet of silver with an ivory disc and an agate stone at each end, £20. Right in the front is an ivory ring with bands of gold and silver running through it, £28. Middle left is a group of six silver rings designed to be worn together. Three of the rings have little gold blobs embellishing them, the other three have a Cornelian and two brown agate stones, £30. The cuff-links in the middle are of silver and gold with a sinuous cut-out jig-saw pattern, £30. The ring in a similar vein, made of silver and 9 carat gold and with a curving jig-saw pattern winding its way round the ring, £28.

MIRI KOLKER does jewellery that manages to look both very modern and highly decorative in the manner of some of the best Victorian jewellery. Most of her rings are made using the lost wax process which gives the rings an unusual slightly rough look. The two rings drawn here are typical of her work. They are both in 18 carat gold. The ring, near right, has four mixed colour pearls and a lapis stone and costs £70. The ring, far right, is much narrower, less ornate, having no stones just a twisted band and a little decorative finish. It is £28.



Drawings by Janet Wheeler



Photograph by Tony Nathan

ALIX MURRAY is a young Murray is to be found during jeweller who studied first at the day at The Works, 17, the Sir John Cass College, Adeney Road, London, S.W.8. To give you some idea of her work here are four of her latest designs. Top row far left, a ring combining dark green resin and silver, £12. A domed ring made from silver embel- lished with ruby red resin, £18. Bottom row far left, a watch in 18-carat gold made for herself. The gold is embellished with garnets and one garnet what she likes to do is to contain the clasp. This par- design to a specific brief, for a ticular watch is not for sale specific person. She produces but a similar one would now detailed drawings for approval cost about £350, the price of and then makes up the required gold having risen to spectacular piece. I like her work very heights. Near left: A silver much indeed—particularly her chain and pendant, the pendant experiments with resin which bination of silver and black combined with silver. She has resin with a silver picture several of these resin rings seeming to be embedded in the already made and in stock Alix semi-transparent resin, £35.

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To buy a dozen individual bottles of wine of this vintage and quality could cost you £50 or more. Buying direct, by the case, not only saves you money but allows you to set aside wines whose value must increase.

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With typical thoroughness the German wine authorities have set up strict controls for the labelling and selling of wines... the qualities of 'Spätlese' and 'Auslese' are controlled by law. Each of the four wines offered here is guaranteed in quality and each one is guaranteed bottled by the growers.

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4 great wines that until now your money couldn't buy!

Many fine German wines come from amazingly small areas and as a result are produced only in very small quantities. Very often the best of these are kept to drink locally and not exported. The four wines offered here are not generally available in this country. You may find them on a few select wine-lists but not in your local wine shop. Only through this offer are they available to people throughout the country.

The world's finest white wines

The wines of the Moselle are unique. Nowhere else in the world does the combination of stony soil and the floating grapes produce such elegance of tone and flavour. Accepted as the finest of white wines these are the wines great enough to pass the test of the most critical palate on the most formal occasion and at the same time be so light that they can be enjoyed casually with or without food.

1971... the golden year

The quality of Moselle wine is less dependent upon ageing than heavy red wines. The quality of the year, the amount of rain, the amount of sunshine etc. dictates the quality of the wine. 1971 was a golden year and is recognised as one of the best vintages of this century ranking with the great years of '48 and '53.

Could cost £4 a bottle

The four wines we have chosen are made from specially selected grapes harvested in the year when the 'noble rot' has set in. This is the name given to the botrytis fungus which penetrates the grapes and creates a concentration of its juices. This results in a loss of acidity which greatly improves both the flavour and bouquet of the wine. Spätlese and Auslese Moselles of this great vintage will be found on the wine list of famous restaurants at prices up to £4 a bottle.

SPÄTLESE: This delicate wine made from grapes that have been harvested at the peak of the 'noble rot' and have a special concentration of juice which enhances any bouquet of grapes.

AUSLESE: These wines have the most general specifications as Spätlese wines but have the additional refinement that they are made from individually selected bunches of grapes, a slow and expensive process.

1. WEISSER RHEINISCHER Auslese. The Moselle vineyards are steeply sloped and the sun is caught and held in this curve, so it is the Rheinhart wines are round and spicy with a distinctive fruitiness.

2. WEISSER RHEINISCHER Spätlese. The wines from Moselle vineyards are considered to be the very finest with Weibler Riesling very high in the list. These wines are distinguished by their elegance and bouquet.

3. DR. WILLKOMM'SCHLOSSBERG Spätlese. This is typical of the Rheinhart wines which have a strong aroma of the natural grapes and is a Spätlese and sometimes which is unique to the area.

4. LANGSCHUCHER PROBSTBERG Auslese. Langschuch is one of the smallest villages on the Moselle. It has long produced wines of excellent value, this particular wine is a unique wine with a great bouquet.

YOUR GUIDE TO THE VINEYARDS OF GERMANY Free with your order you will receive a full colour, lavishly printed map of the German wine country. This not only pinpoints all the famous wine producing areas but also describes the characteristics of the wines.

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Property and housing
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BY JOE RENNISON

MARK TWAIN's remark about investing in land being a good thing because they don't make it any more applies with greater force in Britain than in most other countries in the world. We are a small country and already have far too many people milling around on the surface and that surface is certainly not going to get any bigger while the population will. So more to the point about investing in land is what do we do with it when we have it? Making a quick buck out of a few acres in the short term is not being put to the best possible use so that the whole community can benefit in the longer term.

A recent Government announcement which, in the opinion of one expert on the subject, has not received the attention it deserved should give a new incentive to the scientific approach to land use. Putting forward the Government's new proposals for forestry finance last month, Agriculture Minister Mr. Anthony Stodart made the proviso that before approving grant aid schemes in future the Forestry Commission will check with the Agricultural Departments to see if the land can reasonably be released from agricultural use. It will also check with local authorities on the amenity aspects of the proposed woodlands and the pattern of planting will have to allow for the integration of agricultural and amenity uses.

Scientific use

This statement is, according to Brian Howell, the marketing director of Matthews Wrightson Land, the greatest incentive we have had this century towards a policy of integrated land use. He wider scope to the Forestry Commission's regional advisory committees, bringing in representatives from agriculture, local planners and amenity abolition of rural development interests.

A good move, agrees Mr. Howell, but will it get off the

proper use of the land? Of course MWL has a vested interest in seeing the establishment of such principles. The company and its subsidiaries are investors in land in a big way. Basically what they do is to buy up land on behalf of investment clients and manage that land through one of their subsidiaries, Fountain Farming, Fountain Forestry and Fountain Amenity. The land is leased to one of these companies by the client and the company decides how best the land should be used. The client receives a rent for the land plus a hedge against inflation plus the estate duty advantages connected with agricultural land.

Now many people would totally disagree with this form of investment. The very mention of these City men moving in on the sacred acres is like waving a red flag in front of many a farmer. Accusations against such deals are that they are robbing the honest farmer of his living, forcing up the price of land to unnatural heights and through those rises making it impossible for the ordinary farmer to pass on his farm to his son.

Now is not the time to get involved in that particular argument. The point is that MWL, since it has its own and its clients' money at stake, has evolved some useful techniques in management and has decided views on how the land should be used to the best advantage. "It is hypocritical to bemoan the annual loss of 50,000 acres of agricultural land if we are not properly managing the other 50m. acres," claims Mr. Howell.

He sees a glimmer of hope in the Government plans that at last we will see the scientific approach to the problem. But if it is not handled or staffed properly the scheme could come to nothing. Under its plans the Government intends to give wider scope to the Forestry Commission's regional advisory committees, bringing in representatives from agriculture, local planners and amenity abolition of rural development interests.

A good move, agrees Mr. Howell, but will it get off the

ground? He sees the need for a determinedly radical approach by the committees with men trained in land use techniques taking control: otherwise such committees could simply degenerate into wrangling matches with each interest sticking to its own case. While paying tribute to the superb work the Forestry Commission has done in its own fields, he argues that it will need to grow horizontally in its structure and have wider expertise and power of it is to succeed in its new task.

Naturally members of MWL would be eager to serve on these committees except when they are discussing a project in which MWL is involved.

Most suitable

What we get out of the land are basically food, wood and recreation. It is a question of deciding which of these—or all—are most suitable for a particular stretch of territory. This approach from basic principles is Mr. Howell's claim, what has been totally neglected in this country. The claims of all must be examined—including the sometimes hysterical over-reaction of the environmentalists—and firm action taken. The environmentalists should be pleased by the new official attitude since if anything it will mean that more of our countryside is protected and at the same time opened up to the public.

Mr. Howell gave me a couple of examples of projects that MWL has undertaken and where the land use has been changed to the benefit, he thinks, of all concerned.

Up in the Highlands of Scotland they bought late this summer 6,500 acres of grouse moor. This had been running down for years and the bags were down to about one tenth of what they were at the beginning of the century and there did not seem to be any way of arresting the decline. Something had to be done. It had subsidiary companies got together, drew the boundaries and sat down to think out the



It is a fairly rare event that a bishop's palace comes up for sale. But such is the case with the palace at St. Asaph, Flintshire, North Wales. This Georgian plus Victorian building is in 3½ acres of

wooded grounds at the north end of the Vale of Clwyd. The house and three other lots are up for sale by tender, closing date November 30. Agents: Jackson-Stops, 28 Nicholas St., Chester.



Or perhaps a smaller cottage might be more convenient. This one is almost archetypal English country cottage as befits the owner who is one of our tourist industry chiefs. The house is at Shalford in Essex and is set in two acres and adjoins farmland. Agents: Tufnell and Partners. Price between £35,000 and £40,000.

It will treble local employment double the farming output, half the acreage, put more into the land in the form of roads, buildings, fences, etc. a good forestry and recreation opportunities to what was the before.

But apart from food, wood a recreation there is a fourth thing that comes from the land and that is a way of life. So upheavals must create a social problem and MWL is very conscious of it. It realises that schemes are looked upon with mixed feelings by the local population. But it is of the opinion that when it is fully realised what is to be done common sense will prevail and all will be happy. To this end it is encouraging its own people and Welsh farm manager it brings in to mix with the locals to explain what is happening.

This is a commercial exercise. No-one has yet proved if such an exercise can be successful and a hard look will have to be given to the balance sheets next year.

But apart from the hard financial angle, Mr. Howell finds the most of the investors are becoming countrymen. As when they put their money in the land they generally have some idea of one day retiring, one of the cottages they may have on the land. It is a pattern that has gone on for centuries.

In replying to criticism of this rather impersonal involvement in the land, Mr. Howell points out that this too has been going on for centuries. From at least the fifteenth century City money has been pouring into the countryside as each generation makes its pile. And it is essential that it continues to do so if the countryside is to prosper.

Switching stock

MWL has found one investor for the forestry, one for the farming and is looking for another for the amenity interests—or they may take it on themselves. A lowland farm has also been purchased so that it will be possible to overcome the winter problems of the first farm by switching stock and feed.

In this way MWL claims that

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ENERGY SITUATION

Oil producers discuss further tax rises

CHARD JOHNS

Producing states will hold discussions tomorrow with representatives of the Western oil companies led by Dr. George Piercy, of Exxon, before the full OPEC conference. The industry had no choice but to accept the OPEC decision that producing countries will in future set their own posted prices of the two, semi-annual prices. But Dr. Piercy and his colleagues will try to persuade the six not to review prices arising from the new mechanism for calculating posted prices until the market has returned to "normal".

It appears that Sheikh Ahmed Zaki Yamani of Saudi Arabia and the other Ministers last month did not decide just how often market prices would be adjusted according to the criterion agreed upon.

From the text of an advertisement prepared by the Organisation of Arab Petroleum Exporting Countries (OAPEC), which is formally responsible for the cut-backs, there is evidence of some concern about the feelings of consumers in the West and public opinion. There must be some hope—though there can be no certainty—that such considerations will lead the producers to delay implementation of the mechanism for adjusting prices.

But they will probably have to be satisfied that the acute pressure of demand on limited supplies will not mean higher profit margins for the companies. Gulf producers adopted the new base for taxation to ensure that the governments' "take" remained stable in future at about 75-80 per cent of the proceeds from the sale of oil.

Iran, the one non-Arab state amongst the six, is likely to counsel restraint. In the wider OPEC it is possible that Venezuela may as well.

One important piece of evidence about the Arab producers' concern about their "image" is the two-week tour being undertaken by Sheikh Yamani and Mr. Belaid Abdessalam, his Algerian counterpart, to Europe and the U.S.—though their brief may be to warn rather than reassure.

According to reports from Algeria, Sheikh Yamani is to visit the Netherlands, which is completely boycotted by Arab producers and also New York some time next week.

Shipping hit by shortages

By James McDonald, Shipping Correspondent

THE Arab "oil weapon" has dramatically affected the healthy state of shipping over the past month. There is now a large "hidden surplus" of ships, particularly oil tankers, throughout the world, often unable to obtain oil bunkers and more often, depending on their ownership, unable to load oil in Arab states.

The recent events in the Middle East make nonsense of the latest figures produced by the U.K. Chamber of Shipping recording a further fall in the volume of world shipping laid-up through lack of employment during October. The statistics show that at the end of October there were only 180 ships, aggregating 729,000 gross tons—less than 0.5 per cent of the world merchant shipping fleet—laid-up.

Rotterdam refineries cut output

By Michael Van Os

AMSTERDAM, Nov. 16.

TWO OF THE biggest refineries in the Rotterdam area, the 26m. tons a year Shell plant and the 16m. tons Esso plant, are to reduce production starting next week as a result of the interruption in crude oil supplies.

Shell will cut daily output by 20 per cent. Esso, whose refinery was already running at 80 per cent of capacity before the start of the difficulties in the Middle East, will reduce output by another 40 per cent to around 6.4m. tons on an annual basis.

IRISH CUTBACK

DUBLIN, Nov. 16.

THE IRISH Government has ordered with immediate effect a 10 per cent cutback in all petrol, kerosene and heating oil sales to private customers through retail outlets.

Inflation effect '½% to 1%'

UPPERT CORNWELL

AN OPEC rise in oil costs is expected to add a further half to one per cent to consumer prices. The Organisation for Economic Co-operation and Development (OECD) area next a time of few signs that is nearing control.

As the main conclusion of a meeting here of the Organisation's economic policy committee, whose discussions centred on the effect of price and supply movements in Western economies, it was widespread agreement that cuts will leave little activity this year. For however the picture is uncertain, and the committee is to bring forward its usual spring meeting to February to try and get a clearer idea of the situation.

After the meeting, the chairman, Sir Douglas Allen of the U.K. Treasury, was surprisingly reassuring on the ability of the monetary system to cope with the extra Arab revenues. He pointed out that most of these funds found their way back into the OECD area, thus indirectly financing the extra energy spending.

The vital thing, he argued, was that individual countries do not make measures to restore any current deficit that they may incur through higher oil prices. For the OECD area, the overall payments drain has been tentatively estimated, at \$15,000m. including \$2,750m. for the U.S. and Japan, \$12,500m. for Britain and \$1,750 for Germany.

Sir Douglas meanwhile virtually appealed for new ideas to combat inflation, stating that the methods, concerted or otherwise, so far employed were of scant success.

The latest OECD figures bear him out. After a temporary fall in August, European countries suffered an average 0.9 per cent price rise in September, with Portugal, Spain, Greece, Denmark and the Netherlands all at 1 per cent or more. Things improved in the U.S., but Japan consumer prices climbed 2.9 per cent in the single month.

MIDDLE EAST

Syrian terms for PoWs

ROBERT GRAHAM

It is reported to have laid the three conditions for the return of Israeli prisoners of war by Israel occupation of new Syrian territory on the Golan, here how the conditions were the independent of the recent fighting, transmitted to Israel: but it is believed they have come via the U.K. Treasury. The UN Secretary-General's special envoy, General Robert G. Sayer, arrived in Jerusalem by road after consulting in Damascus with Syrian leaders.

So far as the exchange of Egyptian and Israeli prisoners of war is concerned, it is now proceeding well. To-day 250 Egyptian prisoners left here for Cairo—yesterday there were 412. In return 27 Israelis were flown from Cairo, including nine persons whose capture dated from the "war of attrition" over three years ago. This exchange is expected to last one week.

William Dulferforce adds from Cairo: The siege of Suez was tightened to-day when a convoy of 10 bus-ambulances brought 200 wounded Egyptians from the Canal City through United Nations checkpoints to Cairo.

Reuter's authoritative Al-Ahram daily warned that further implementing the Egyptian-Israeli ceasefire agreement promised to be "extremely difficult and critical".

Reuter reports: Israeli Prime Minister Golda Meir said today: "I released yesterday to-night 250 prisoners, how many more will be released for a Middle East peace that there has been for a quarter of a century."

Sadat 'facing growing criticism'

By Susan Huxley

BEIRUT, Nov. 16.

ARAB difficulties arising from the Middle East war are coming up on the surface in wake of the implementation of the ceasefire agreement between Egypt and Israel and as preparations are underway for the Arab Summit Conference in Algiers on November 26. Observers believe that the main burden of these difficulties falls on President Anwar Sadat.

The cable Libyan leader Col. Moammar Khedafi sent yesterday to President Sadat in which he acerbically criticised the Egyptian leader's handling of the war has been described in the Press here as the first serious breach of inter-Arab solidarity which has been demonstrated since the war broke out on October 6.

Khedafi said Arab honour has been tarnished by the meeting between Egyptian and Israeli leaders on the road between Suez and Cairo, and that the war, rather than liberating the territory Israel occupied in 1967, left the Israeli's in control of additional territory in Syria and Egypt, said Sadat should have continued the war even if the Arabs had to fight with swords.

Palestine provisional government plan

BY WILLIAM DULFERFORCE

CAIRO, Nov. 16.

THE Palestinian Liberation Organisation is seriously considering the establishment of a provisional government, in order to strengthen the Palestinian Bank of the Jordan and in the claim to a seat at the Middle East peace conference. But Palestinian sources indicated today that the PLO leaders had turned to the possibility of a provisional government after the Palestinians began to set up a provisional government after the United States was Arafat's recent talks in Riyadh determining the Soviet attitude towards the Middle East settlement, the sources said. The Syria during the first stage of the peace conference but that there would be no place for the Palestinians.

The effect of such a procedure would be that decisions about Israel's future borders on the West Bank would be taken by King Hussein. This was inadmissible, the sources said.

The Middle East News Agency reported yesterday that the follow-up committee appointed after the last Palestinian National Council meeting in January has called for a general Palestinian conference to be held under PLO auspices.

LEBANON CLASH

BEIRUT, Nov. 16.

LEBANESE artillery opened fire today on a group of Israeli armoured vehicles which made a two-hour incursion into South Lebanon, the Defence Ministry announced to-night. The Israeli force, reported up to 400 metres and then withdrew across the border, it said.

An open letter to investors

In our previous letter, first published some four months ago, we predicted that the Financial Times ordinary share index would fall substantially in the short to medium term, and strongly advised investors to switch to an attractive, worry-free alternative.

This week's dramatic fall in the F.T. index has yet again shown how volatile the stock market is, and you must now be seriously concerned about the security and profitability of your investments.

Even discounting the many grave difficulties now facing the country, we can see little chance of equities making much headway in the medium term, in view of the fierce competition which British industry faces from the industrial giants of the European Community.

With this uncertainty in prospect, we strongly recommend that you realise all, or the greater part, of your portfolio for re-investment in a medium which offers security of capital with steady growth and many tax advantages. During the past eighteen months, when the F.T. index has fallen by 25%, the funds we have consistently recommended as the basis of our investment plans have all appreciated by between 22½% and 34½% after tax.

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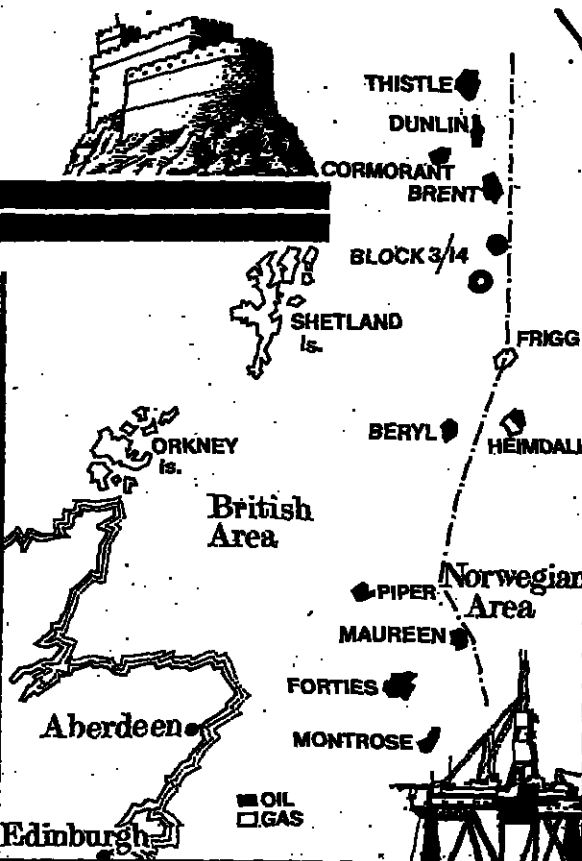
The investment can be cashed in whole or in part at any time. The example is based on an annual growth rate of 11% which, whilst not guaranteed, is conservative relative to actual past performance. Although past performance cannot be necessarily taken as a guide to the future, we believe that the actual benefits will be greater than those illustrated.

The combined skills and experience of our investment and tax experts are available to you whether you have capital of £5,000 or £500,000. For independent professional advice, without charge or obligation, please complete and post the coupon or telephone the Senior Consultant at any of our offices.

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Very nearly everything that happens in the oil business seems to increase the value of North Sea Oil.

Investors Chronicle, August 31st, 1973

"North Sea Oil shares look even better"

Sunday Times, October 14th, 1973

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● NEWS ANALYSIS — ORIEL FOODS

Gulliver's travels

BY SANDY McLAGHAN

ABOUT A year ago Mr. James Gulliver left the Associated British Foods Group after a number of years as head of their Fine Fare supermarkets subsidiary.

At that time, his departure came as some surprise: he had been taken on to turn round Fine Fare from a loss-making position into a profitable contributor to the ABF results and had done so with remarkable success. His efforts had won him acclaim not only from ABF's chairman Mr. Garry Weston but also the Guardian newspaper's award as young businessman of the year.

In January of this year, it looked as though the mystery was solved. Mr. Gulliver reappeared as chairman of a little-known company in the business of manufacturing edible oils called Oriel Foods.

Mr. Gulliver the manager re-emerged as Gulliver the entrepreneur and he and his associates — including Alistair Grant who followed him from Fine Fare, had a 30 per cent stake in Oriel. At that stage, Mr. Gulliver was early into his 18-month agreement with Fine Fare that he would not get involved in food retailing during that period, and instead he enthusiastically set about a process of acquisition aimed at producing a logical wholesaling base out of the largely fragmented food distribution set-up.

He made little secret of the fact that if conditions were suitable this could form a platform for re-entry into retailing once his period of exile was up. But now, less than 12 months later, Mr. Gulliver has changed direction again. He has willingly agreed to a cash offer from the U.S. group RCA Corporation which he and his associates could easily have blocked had they so desired, and so Mr. Gulliver the entrepreneur reverts to Mr.

Gulliver the manager — albeit on a wholesale scale. In addition, something like him, better off than a year ago.

Equally intriguing is why RCA, which is best known to most people in this country for its record sales, and which has a turnover worldwide of something like \$3.8 billion, should find it worthwhile to spend £1m in cash on a relatively small U.K. food wholesaling company. The obvious question raised is — what has brought these two dissimilar parties together?

The RCA side of the coin is probably the most straightforward to answer. They have diversified considerably since the days when they were Radio Corporation of America and one area of this diversification is a company called Banquet Foods — among the biggest producers of frozen prepared meals in the U.S. and Canada.

RCA is no stranger to this side of the Atlantic through other activities and is clearly keen to develop its food interests in Europe. The group clearly likes Mr. Gulliver's management style, and in the manner of U.S. companies it is prepared to pay a premium for management. There is the added bonus that Oriel under Mr. Gulliver has been moving towards frozen foods as part of its diversification. Here, at least, there is common ground between the two groups.

Dynamic

The convenience food habit is growing rapidly in Europe, and within convenience foods, frozen foods are clearly the most dynamic area.

Ownership of freezers is spreading apace and as a result of this, the merchandising of large freezer packs of frozen foods is tending to break down the distinction between retail

and wholesale trades. In addition, since the field is fairly new, it is also largely wide open for new entrants. This may be one of the keys to answering the much more complex question of why Mr. Jimmy Gulliver has done another about-turn. He has certainly satisfied himself in a month of talks with RCA that his team and their management have what he calls "a community of objectives."

Certainly Mr. Gulliver had planned to take Oriel into Europe, but with his relatively small base this would have been a slow process. He feels obviously that RCA can give him the financial muscle to speed this up and that it can also offer him a horizon of possible opportunities that would be possible from the standpoint of Oriel as it now stands.

[Much the same logic motivated Mr. Michael Abrahams, chairman of the carpets group A.W. (Securities), to accept a £40m bid from the U.S. group Champion International.] He himself tends to stress "personal job satisfaction," and "intellectual companionship of top professional international managers" as prime reasons for abandoning his entrepreneurial status (and of course that of his management team).

But it is hardly conceivable that these considerations are not backed up by awareness of tangible business opportunities available as a result of the merger which would not otherwise be available. At a guess, quicker implementation of his plans for rationalisation in the wholesale trade, a fairly speedy re-entry into retailing at the first opportunity, and a sizeable involvement in frozen foods could all figure among these opportunities.



Smiles before serious talks—President Georges Pompidou of France arrives at Northolt Airport, where he is greeted by Mr. Edward Heath.

U.K. not blackmailed over oil—Sir Alec

FINANCIAL TIMES REPORTER

SIR ALEC DOUGLAS-HOME, the Foreign Secretary, denied last night that Britain had lunched in an Arab direction during the Middle East war because of fears about oil supplies. Britain's Middle East policy had been laid down in detail in 1970 before anyone started thinking about an oil shortage, Sir Alec told the annual meeting of his constituency Conservative association in Comrie, Perthshire.

It was nonsense to talk of submission to Arab blackmail.

Buffer zones

Turning to hopes of a lasting Middle East peace, Sir Alec said there would need to be buffer zones between the Israeli and Arab armies: an international military force, which could not be removed by either side, stationed in these buffer zones, and international guarantees for the agreed frontiers.

"In these processes of peace-making the permanent members of the Security Council must be ready to help if they are required," he said.

Energy watchdog needed to cut waste, says peer

BY JOHN HUNT

THE ESTABLISHMENT of an Energy Commission to cut back on the unnecessary use of fuel and resources was advocated last night by Lord Avebury, the Liberal peer, in his presidential address to the Conservation Society.

He predicted that such a commission would curtail the Concorde programme, prevent the "Mapplethorpe" and defer expenditure on the Channel Tunnel.

In the future, the price of oil would be determined unilaterally by the producers and they would charge what the traffic would bear, he said.

Lord Avebury, formerly Eric Lubbock, MP, foresaw the possibility of a series of energy crises of increasing severity. In the developed world it could lead to mass unemployment and the paralysis of everyday life as transport systems were dislocated.

Elstree plan accepted

BY ARTHUR SANDLES

THE EMI formula for the continued operation of Elstree film studios has been accepted by the film unions. The agreement means that the permanent labour force at Elstree will be cut by nearly half from its present 500-plus.

Mr. Bernard Delfont, chief executive of EMI's film division, suggested that the end might be in sight for Elstree when EMI's American partner in the studio operation, MGM, withdrew. This left EMI with annual losses of well over £500,000 on the studios.

Mr. Delfont then told the film unions that if the permanent staff could be reduced there was a possibility that the studios could remain open. Last night he said the unions had accepted the proposals and the new system would start to operate on January 1.

Behind the scenes there has been a considerable amount of bitterness generated as a result of the Elstree situation, allied to that at Shepperton, which is to continue with reduced acreage. Film makers

Nine should agree on gold valuation—Commissioner

BY LORELIES OLSLAGER

BRUSSELS, Nov. 16

HERR Wilhelm Haferkamp, the EEC Commissioner responsible for economic and monetary affairs, said here today that the Common Market countries could agree on their own valuation of gold for internal EEC transactions now that the two-tier market has been at least partially abandoned. In a first official comment to the decision taken in Basle earlier this week, Herr Haferkamp clearly seemed to welcome such a possibility. The present situation, he told a Press conference, could be an opportunity for the EEC to demonstrate a "European personality."

Asked what effect the Basle decision would have on the Commission's proposal that the member states should pool 10 per cent of their reserves in gold, Herr Haferkamp said it might now be possible to value pooled gold at a price based on the market at a certain date. This question would have to be examined in the coming weeks. He added that such a step was not necessary in order to start with the pooling of reserves, including gold.

During the Commission's proposals for the second stage of economic and monetary union, which is to start on January 1, 1974, and to last for "at most" three years.

The pooling of reserves and the considerable increase in the Community's existing short-term credit lines are two of the main features of the Commission plan. Herr Haferkamp said the Commission would propose further pooling beyond the initial 10 per cent whenever it judged that economic conditions were ripe.

The other main aim of the Commission's proposals is to enforce greater co-ordination of national economic and monetary policies and to strengthen Community control over them.

The Commission also proposes that the existing 2.25 band within which the "snake" currencies can fluctuate against each other should be reviewed by the Council of Ministers each year. The Commission is proposing well in advance and the committee would be established by the European Monetary Co-operation Fund for "per cent and prior" consultations monetary and credit policy.

The Commission has a series of proposals for bringing about and interest rates are co-ordinated.

greater co-ordination of national economic and monetary policies. A "directive on stability, growth and full employment" was obliged all member countries have a number of instruments ready for use.

These would include power for the monetary authorities to conduct open market policies, impose or change reserve requirements and interest rates and to influence consumer credit and mortgage conditions.

The Commission put emphasis on the need for the supervision of budget deficits and surpluses and the way to enforce greater co-ordination of national economic and monetary policies and to strengthen Community control over them.

Aware that all the provisions for co-ordinating national policies have not worked during the first phase of economic and monetary union, the Commission is also proposing a number of institutional arrangements to improve the situation. The Council of Ministers asked to fix monthly meetings in advance and the committee would be established by the European Monetary Co-operation Fund for "per cent and prior" consultations monetary and credit policy.

The Commission has a series of proposals for bringing about and interest rates are co-ordinated.

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FTI

Wilson leads massive attack in advance of censure motion

BY PHILIP RAWSTORNE

MR HAROLD WILSON and leading members of the Labour "shadow" Cabinet last night launched a massive political onslaught on the Government for the "total collapse" of its economic and industrial policies.

Prefacing next week's Commons censure motion, the Labour leaders, in speeches throughout the country, accused the Government of causing both a national economic crisis and industrial conflict.

In a forceful defence of the miners, Mr. Wilson said at Hutton that the Prime Minister was trying to make them the scapegoat for the country's economic "blockbuster" earlier this week, which would raise the cost of living even higher.

Amid the "total collapse" of

his policies, Mr. Heath did nothing. All the Labour gets is his pompous and spurious argument about who runs the country. The trouble is the country is not being run at all, declared Mr. Wilson.

Mr. Wilson said this crisis gave Mr. Heath a chance to recast a fairer financial policy. "This time let him show understanding, concern and statesmanship," he said.

Mr. Ray Jenkins, speaking in Wolverhampton, said: "A major economic crisis is upon us."

External difficulties had been grossly exacerbated by the Government's sustained record of economic mismanagement. Mr. Anthony Barber, the Chancellor of the Exchequer, had been "a

dancing master in charge of a crisis-prone economy."

The benefits of a year's economic growth, now threatened with a drastic end, had been lost in the rampant inflation.

Now, said Mr. Jenkins, this "appalling record" was being explained away by Mr. Peter Walker with his "cheapjack salesmanship," while he neglected his own duty of conserving oil supplies.

Speaking in Stepney, Mr. Peter Shore said: "The great economic crisis has at last exploded." The Government, he said, should now be presenting to the nation serious and relevant measures to deal with the trade deficit and inflation, instead of provoking the miners.

Tories open week-end campaign to reassure nation on policy

BY JOHN HUNT

A CONCERTED campaign is being mounted by Ministers this week-end to impress on the country that the latest economic measures do not mean a return to "stop-go."

Coupled with this is a reiteration of the Government's determination that there should be no wage settlements outside the terms of Stage Three.

The Conservative counter-attack is aimed at blunting the edge of the large scale Labour onslaught which alleges the complete failure of Government policies on the economic and industrial fronts.

The tone was set last night by Mr. Terence Higgins, financial Secretary to the Treasury, who asserted that the latest measures to control credit certainly do not constitute an economic "stop."

Worthing audience, they were designed to ensure that the economy continues at a growth rate of 3 1/2 per cent.

"The restriction on credit is intended to keep monetary expansion in line with the needs of the economy, and to avoid creating problems of demand management in the future," he declared.

A similar message was put across by Sir John Eden, Minister for Posts, who linked it with an extremely bitter attack on the miners' dispute. He suggested the men had been led astray by political extremists in the NUM leadership, who intended to overthrow the elected Government.

The Government had protected food supplies because of the "wholly unjustified go-slow by miners."

This had led to a threat which had a deeper and more serious significance. There were those, he said, who would destroy the foundations for economic stability, and it would be monstrously unwise to close our eyes to this challenge or to pretend that it could not happen here.

In the hands of "extremist leaders" in the miners' union, the ordinary decent patriotic miner became an instrument to further the campaign to flout the rule of law, and "to overthrow the elected Government of this country."

The misguided minority should beware, said Sir John. The Government was not for the taking, and would not be moved by threats and blackmail.

Ministers are to make more public speeches on the economy to-day.

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Group in good shape for future expansion

Sir Isaac Wolfson, Bart., Chairman.

The following are extracts from the Report and Accounts for the year ended 31st March, 1973.

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REVIEW

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COMPARATIVE FIGURES 1969-1973

Year ended 31st March	Group Profit before Taxation	Taxation	Cash Flow	Net Current Assets	Ordinary Stockholders Funds*
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1970	£50,803,000	£22,815,000	£17,579,000	£142,458,000	£186,640,000
1971	£52,847,000	£21,025,000	£22,814,000	£164,434,000	£205,080,000
1972	£60,680,000	£22,809,000	£31,025,000	£176,538,000	£230,199,000
1973	£77,708,000	£29,989,000	£48,889,000	£222,048,000	£277,199,000

*Excluding surplus of over £10m. on revaluation of properties as at 1st April, 1973 and provisions for deferred profit of £65m.

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Colour TV sales result of 'patient groundwork'

By Arthur Sandles

THE BOOM in colour television sales is the result of careful groundwork, according to Sir John Davis, chairman and chief executive of the Rank Organisation.

Speaking in Plymouth at a lunch to celebrate the 25th anniversary of Rank Radio International, Sir John said it had only been by "patient work, pains-taking technical research and thorough planning in the field of production, marketing, and finance" that the ability had been present to take advantage of the demand.

He accused past governments of following "stop-go" policies which have resulted in sudden contractions of demand and subsequently of employment.

Sir John praised the present Government as "the first in recent British industrial history to acknowledge that 'stop-go' policies create a climate of uncertainty and fluctuation in which business cannot operate effectively as it cannot plan with confidence."

Sir John said that Rank had decided to spend more than £3m on improving facilities at the Plymouth plant.

'End commitment to road transport,' says pressure group

By Paul Elman

TRANSPORT 2000, the transport pressure group which links 23 organisations, yesterday urged the Government to transfer £400m. from road building to other forms of transport.

Speaking at the group's annual meeting in Birmingham, Mr. Mike Harris, its operations manager, said events in the Middle East have forced the Western world to end its "commitment to, and love affair with, the car and the lorry."

Only massive investment in all forms of public transport, particularly in urban areas, can keep society mobile, he said.

This money could be found by transferring the current roads bill from £1,000m. to £600m. and spending the balance on railways, buses, inland waterways and coastal shipping.

It is nonsense that the Prime Minister should say that the roads programme will be exempt from cuts in public expenditure allied to Phase Three policies, Mr. Harris said.

He said it was "equally nonsense" that Mr. John Peyton, the Minister for Trans-

Pay Board challenge to Clay Cross

By John Wyles, Labour Reporter

THE REBEL Clay Cross council in Derbyshire was yesterday ordered by the Pay Board to stop paying wage increases of more than £5 a week to its 94 manual workers.

The council's 11-man Labour group was discussing last night whether to ignore the Board's Order and so mount a second challenge to Government policy. A refusal to raise council house rents under the Housing Finance Act has already led to a £7,000 surcharge being imposed on the council.

But defiance of the Pay Board would not lay the councillors open to separate individual penalties since the Order has been served on the Clay Cross urban district council. It would be up to the Attorney-General to decide whether there should be any prosecution of the council if payment of the wage increases continues.

The council ignored a 14-day warning notice issued by the Board on October 16 and refused to block increases on the manual workers' flat-rate bonus amounting to between £5 and £6 a week which it had been paying since September 23.

Yesterday's Order was issued because the payments flout the Government's Pay Code on two grounds. They were above the Stage Two £1 plus 4 per cent limits and broke the rule limiting workers to one principal increase within 12 months.

Clay Cross workers received pay rises under a national settlement in November 1972, and are due for further increases under a new wage deal covering 900,000 local government manual workers which is currently under negotiation.

The Pay Board yesterday gave a 14-day warning that it would issue an Order blocking 20p-an-hour pay rises for 113 manual employees at G. P. Banbury, a Croydon precision engineering concern.

APPOINTMENTS

Group changes at Associated Engineering

The following Board appointments have been made in member companies of the ASSOCIATED ENGINEERING GROUP.

Mr. D. W. Upton, formerly works manager of the Wellworth Ampress factory, has been appointed works director, piston product group.

Mr. R. C. Wynn, formerly secretary of Associated Engineering Developments, has been appointed financial director and secretary.

Mr. M. A. C. Perry has resigned as joint managing director of G. PERRY AND SONS, a member of the Weir Group. He will remain a director and will continue to serve the company as a consultant. Mr. A. J. Bunting becomes managing director. He was formerly joint managing director with Mr. Perry. Mr. W. A. Joyles and Mr. J. Parkin have been appointed directors. They will remain joint sales managers.

Mr. Jack Storey has been appointed works director of CHARLES CHURCHILL Tube Investments' machine tool manu-

facturing and home sales operation. Mr. Brian Taylor becomes director of industrial engineering.

Mr. J. P. Mervis has resigned as a director of HAW PAR ROTARY INTERNATIONAL from December 31, and is returning to the U.K.

Mr. R. A. H. Brand has been appointed a director of the company. Mr. R. E. Mapp and Mr. C. N. Stocks, overseas non-executive directors of Haw Par, have resigned to further the policy of maintaining a predominantly executive Board with the majority of the directors resident in Singapore.

Haw Par Merchant Bankers has made the following Board appointments: Mr. C. W. MacKinnon has been appointed a director, together with Mr. L. R. Jardine and Mr. Richard Eu Yee Ming. Mr. D. E. Ogilvy Watson has resigned as a director of Slater Walker Australia.

Changes within the rod division of the DELTA METAL GROUP have been made since the impending retirement of Mr. H. E. Wheeler, the division's engineering director.

Mr. M. I. M. Watson will succeed Mr. Wheeler as engineering director and will also assume responsibility for the corporate department. Mr. H. D. Baer, currently director and general manager of Delta Rods (West Bromwich), will succeed Mr. Watson as managing director of Delta Wire. Mr. Ian Beattie becomes chairman of Delta Tubes and remains managing director of Delta Capillary Products.

Mr. L. S. Ludlam, director and general manager of Delta Rods (Wolverhampton), will become responsible also for the West Bromwich plant, assisted by Mr. Bruce Appleton as resident factory manager. This reorganisation will be completed early in 1974. Mr. Wheeler will then be engaged on special projects within the rod division until his retirement.

Mr. S. F. Wheatcroft and Mr. D. H. Glover have been re-appointed as full members of the BRITISH AIRWAYS BOARD. Professor Sir Ronald Edwards, Mr. P. Parker and Mr. W. Fisher are re-appointed as part-time members. These re-appointments take effect from January 1.

Sir Arthur Norman, on completing his present term at the end of this year, will retire as a part-time member.

Under the Civil Aviation Act, 1971, the British Airways Board has to consist of between 8 and 15 members. As a result of these re-appointments there will be 14 members from January 1.

Mr. David S. Perkins, regional controller in the export division of HOOVER, and Mr. Stewart J. Robertson, continent division executive, have been appointed associate directors of the company.

Mr. K. Ahmed, secretary of ADAMS FOODS, is appointed financial director. Mr. Alan Boardman, previous departmental director (commercial), joins the main Board as operations director. Mr. Eric Deorber, previously a departmental director (sales) joins the main Board and is also appointed as managing director of the group's UBT milk subsidiary, Lloyd's Dairies.

Mr. Andrew Brochwicz-Lewis has been appointed to the Board and also becomes managing director of Elkes Biscuits Limited.

Mr. G. H. Freeman has been appointed to the Board of CHARLES WIND (VALVES).

Mr. D. A. R. Fashir has been appointed technical director of NMW COMPUTERS.

LONDON TRANSPORT has made the following appointments from January 7. Mr. P. E. Garbutt, at present director of transportation policy, will become secretary to the executive in succession to Mr. W. E. C. Hewings, who is retiring. Mr. E. R. Ellen, at present director of transportation planning, has been appointed chief policy officer. He will take over from Mr. Garbutt responsibility for London Transport's consultancy service. Dr. D. A. Quarby, director of operational research, will become chief commercial and planning officer.



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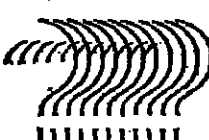
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SATURDAY NOVEMBER 17 1973

Bad week for markets

ANOTHER TROUBLED week for Wall Street has been an even worse one for the London stock market, with the FT 30-Share Index dropping from 430 at the beginning of the week to a low of just over 391 on Thursday before a moderate rally. The stage was set for a break even before the news on Tuesday sent the market into complete disarray. The behaviour of Wall Street, which plunged sharply at the end of last week, was itself alarming: the mood of despondency arising out of the protracted U.S. political upset has been reinforced first, by fears that the U.S. economy may be heading downwards of its own accord and second, by suggestions that shortages of oil may lead to widespread industrial disruption.

The sharp gyrations yesterday on Mr. Nixon's reported suggestion that the oil embargo might soon be lifted is sufficient evidence of the scope for violent price movements in the present atmosphere.

At home, there have been other reasons for serious disquiet among investors. First, there is the oil situation: although the risk of disruption caused by shortages has until now caused less apprehension than in the U.S., it has helped to colour the background of a situation in which the steep price rise that has already taken place will make the closing of the trade gap and the control of inflation both more difficult. Second, there is a growing danger of industrial unrest, exemplified by the action of the miners. Third, the latest economic indicators—a very sharp jump in bank advances announced last week, a very sharp jump in industry's raw material costs at the beginning of this and yesterday's price index—were beginning to suggest that the calculations on which Stage Three was based had already become irrelevant.

Sterling rate

The precautionary declaration of a state of emergency on Tuesday was not therefore a complete surprise. Nor, once the dismal trade figures for November were announced were the monetary measures which accompanied them. Not only has the whole level of interest rates been levered suddenly up, but a tight squeeze has been imposed on the supply of credit. Despite the relatively calm reaction of

the Confederation of British Industry and repeated Ministerial denials that these measures will discourage the growth of capital investment or constitute a "stop," there has clearly been a sudden change in the direction of policy.

The change, which is the more severe for being delayed, is due to a number of factors apart from vague threats of oil shortage or industrial unrest. In particular, the money supply has been rising much too fast for too long and the rise in oil prices has offset much of the economic benefit the Government was hoping to gain from an improvement in the terms of trade. The promptness of its reaction to the trade figures, moreover, was undoubtedly influenced by a wish to prevent a run on sterling.

Monetary side

Much of the weakness of the market on Thursday, after the initial reaction to the news had already taken place, was due to a feeling that more measures might be on the way and to rumours that an official statement was imminent. The rumours proved to be false and the Prime Minister has denied that an autumn Budget is in preparation; but the Chancellor has given another warning of his readiness to adapt policy to circumstances and there is no doubt that the cuts in public expenditure to which he had already referred will now have to be made effective. The market must remain uneasy for the moment, poised between fears of industrial unrest, oil shortage and currency trouble in the short run and of a worldwide slackening in economic growth, precipitated by the shortage of oil, to follow.

Whatever the oil supply situation, however, the rise in its price and our domestic economic difficulties remain to be dealt with. Provided that there is no further dramatic worsening of the situation, it is probable that the Government has now done as much as it will do on the purely monetary side and the prospect for gilt-edged prices is not unfavourable. Industrial share prices, though likely to be stabilised by an improvement in gilts, must remain vulnerable until the major uncertainties ahead of us on the industrial, economic and political fronts begin to lift. But there is considerable volume of money waiting to be invested as soon as circumstances justify such a decision.

COMPETITION BETWEEN the banks for the favours of the ordinary customer-in-the-street has once again taken on a new dimension. The latest measures to control the money supply have curbed the banks' ability to compete on lending and so have deprived them of one of the main weapons they have been able to use for attracting new personal business over the past two years. The considerable reduction in bank charges which have been made by virtually all the big banks in stages during the past few months therefore takes on extra importance.

The banks are well aware of the need to go on providing a service which will keep their personal customers happy, even if some of their actions in recent years may have led some customers to doubt this. The personal customer is important to them on at least two counts. Lending to the personal sector, whether on overdraft or on fixed-term personal loans, is in normal times profitable business for the banks, and an area in which until recently they had been happy to see considerable expansion. The private customer moreover remains a significant source of funds for the banks both on current account (where the cost to the banks is not related to going interest rates) and on deposit account.

Personal loans

This week's official moves mean that credit is going to be both harder to come by and considerably more expensive. As a result of the extra 2 per cent. call on special deposits, there is no doubt that the big banks will have to look even more selectively and critically at requests for loans. The personal customer will be one of those most affected by such restraint, particularly since even before the latest moves there was an official request to the banks to reduce the rate of growth in lending.

The sharp rise in the Bank of England minimum lending rate (successor to Bank rate) has been accompanied by a uniform jump in the base rates of the clearing banks to 13 per cent.; this means that any personal customer lucky enough to get an overdraft from now on will be paying up to 17 or 18 per cent. for the privilege. But for the time being at least, an element of competition has been retained among the banks over the terms on which they offer fixed-rate, fixed-term personal loans.



Cormac McCarthy

BANK CHARGES

	CREDIT BALANCE (minimum)		CHARGE (per item)	OFFSET ALLOWANCE (average balance)
NATWEST SYSTEM	£50 £0-50		NIL CREDIT ENTRIES DEBIT ENTRIES	NIL 7p 5% p.a.
WILLIAMS & GLYN'S SYSTEM			AUTOMATED TRANSFERS OTHER ENTRIES	6p 8p 5% p.a.

	CREDIT BALANCE (average)	NO. OF DRAWINGS PER HALF-YEAR	CHARGE (per item)	OFFSET ALLOWANCE (average balance)
"GROUP CHARGES" SYSTEM	£100 or more £50-100 Less than £50	FIRST 30 ADDITIONAL DRAWINGS FIRST 30 ADDITIONAL DRAWINGS FIRST 30 ADDITIONAL DRAWINGS	NIL 7½p 2½p 7½p 5p 7½p	5% p.a. above £100 (CHARGES BETWEEN BANKS)

Midland Bank responded immediately by pushing its personal loan rate up from a flat 8 per cent. to 10 per cent. (equivalent to a true rate of around 19 per cent.). Other banks have not yet moved on this question, and personal loans are still available from National Westminster at 7 per cent. flat (around 14 per cent. true) and at 8 per cent. flat (some 15 per cent. true) from Lloyds and Barclays.

It is unlikely, however, that this disparity can last for very long. The scope for competition among the big banks in this area is therefore substantially reduced. And while clearing bank loans, even at current rates, may remain cheap in relation to other sources of credit such as hire purchase, effective competition for business is not going to be very easy, either between the banks or against other competitors such as the instalment credit houses or the money shops, as long as lending is restricted.

At the same time, the distinction between deposits of under and over £10,000 has been main-

tained. A customer who can muster over £10,000 to put in a bank deposit account can be paid the going rate on his funds—currently 11 per cent. —customers with less than that embarrassing implications of which must account for a considerable number of the private customers of the banks—the rate is still limited to 9 per cent. in order to protect the building societies against aggressive competition for funds.

Interest rates

The banks must therefore be casting around for new ways of competing for business, and the level of bank charges may prove to be one of the most important of these. Two main factors have been at work in the cuts made so far. One was the new climate of competition and the elimination of the old bank "cartels" which made it possible for the banks to break away from long-standing agreements and go their own ways

Of more immediate importance was the rapid growth of the banks' profits as a result of high interest rates and the customers with less than that embarrassing implications of which must account for a considerable number of the private customers of the banks—the rate is still limited to 9 per cent. in order to protect the building societies against aggressive competition for funds.

As well as simply bringing lower charges to customers, these changes represent a quiet revolution in banking. For the first time all the big clearing banks now have a single, public and fixed tariff of charges for their personal current accounts. This replaces the old variety of systems which made it difficult

for the individual to discover how his charges were arrived at. The level of charges has also started to become an important marketing tool in its own right. National Westminster admitted, when it recently announced its promised major reform of its charging system, that its previous methods (widely known to be relatively expensive at the time) might have had something to do with the disappointing growth in its customer accounts in recent months. It is probable therefore that further use will be made of this marketing tool, with more changes in tariffs in the months to come both to cut charges and, as Barclays has promised, to simplify further the system.

As the situation stands at present, Williams and Glyn's and National Westminster, with quite different systems, probably have the edge in terms of simplicity of their method of working out charges. Williams and Glyn's, with a system introduced for the end-September quarter, was then among the cheapest. It retains the advantage of its low charge for standing orders (automated transfers) of 6p a time against 8p for other entries in the account. Against this, it is now the only one of the five major London clearing banks to charge credit entries. This (not perhaps entirely logically) has now been dropped by all the big four.

Credit balance

NatWest's recently introduced system also has a very simple structure. It has the advantage (from the point of view of being easy for customers to understand) of being based around the magic figure of a minimum credit balance of £50. Provided a customer never runs his account below that level—something it should be easy for him to monitor—he gets free banking.

Against this, some banks argue in favour of the average credit balance basis (used by NatWest itself in calculating its 5 per cent. offset allowance) as possibly more favourable to many customers. People who keep a minimum of £50 in their accounts will have a substantially higher average credit balance—probably in many cases over the £100 figure which features in the system at present used, with variations, by the other three major London clearing banks.

This system can for convenience be called "group terms" (it originated with the special terms agreed among the banks for customers whose wages or salaries were paid directly into their accounts).

The basis is that 30 free drawings are allowed each half-year. Additional drawings cost 7p a time, while with balances below £100 an extra charge is imposed for up to 30 drawings a half-year. On top of this, an offset allowance is made on average balances above £100, recently raised to 5 per cent. by Lloyds and Barclays and still at 3 per cent. at the Midland. Lloyds, exceptionally, also makes an extra charge of 5p a time for use will be made of this marketing tool, with more changes in tariffs in the months to come both to cut charges and, as Barclays has promised, to simplify further the system.

The advantages of the various systems for any given customer depend to a considerable extent on the nature of his account—the balances held, the level of activity, and the likelihood of being overdrawn. But for an increasing number of customers the changes have meant that they will pay no charges at all. NatWest reckoned this would be true of 3m. out of its 4m. current account customers and Barclays expected that about three-quarters of those personal customers who maintain their accounts in credit would pay no charges.

The changes, and the probability of further changes, raise the question of why the banks should not go the whole hog and either eliminate charges on personal customers altogether or, like some of the smaller banks, pay interest on current accounts. There are, however, objections on both scores. Paying interest on current accounts, it is argued, would be expensive for the banks—NatWest commented that a 5 per cent. general payment would cost it about £100m. a year—and to match the present tax-free offset allowance, substantially higher rates would be needed before tax.

Across the board

There is also resistance within the banks to removing charges across the board on the grounds that there should continue to be some discrimination between customers of the kind which the banks want to encourage and those—for example the people who require a great deal of work in handling the paper created by a large number of transactions on their accounts—who are likely to cost the bank money.

Given the present climate of competition in banking, however, even more of this caution may be thrown to the winds as the banks seek to promote their personal customer services. This brings at least the prospect of further cuts in the cost of having a bank account.

Letters to the Editor

Immoral Gains tax

Sir—Mr. Wiltshire (November 13) points out the injustice of Capital Gains Tax in that sometimes the capital profit can be shown to be no more than the effect of inflation on the original capital in that the purchasing power of the proceeds is equal to (or less than) the original purchase value. I wonder whether we should be all that sympathetic with Mr. Wiltshire because the point he makes is perhaps also true of other forms of taxation?

The wage earner, if he earned £20 per week in 1965, may well be earning nearer £40 per week today. However, he pays income-tax on his current wage, while the purchasing power of his earnings may well be the same (or less) as in 1965. Might there not be more of a case for raising the minimum proceeds on which Capital Gains Tax is payable during any year, so that it is, £500 set in 1971, in the same way that income-tax and estate duty allowances and reliefs have been increased from time to time?

L. E. Thomas,
63, Pine Walk,
Carshalton Beeches, Surrey.

Heads into the sand

Sir—There are no grounds for contradicting a single word of Mr. Wiltshire's letter (November 13): the law is such that we pay tax on "real" losses.

Unfortunately, there is not the slightest prospect of the law being changed by this Government, as the impact, if any, on the voters would be adverse. There is also little hope for the future so long as the Inland Revenue has the legislator's ear, as nothing sends the Inland Revenue's head into the sand quicker than mention of inflation.

From the taxpayer's viewpoint matters are made worse by the court's ruling on exactly this question, in the Revenue's favour in *Secretan v. H. v. T.* The malignancy of the cancer of inflation can be seen most sharply by how dated the judgment in that case appears only four years later. Apart from the change

in climate, which itself could not justify taking a case in the hope of reversing *Secretan v. H. v. T.* the judge said that as the Act stated that the original amount in money given for the acquisition was to be deducted from the proceeds, one could not deduct anything else. If it was intended that any adjustment should be made, the Act would have said so. However, I do not believe that there is any specific instruction to convert if an asset is purchased in Deutschemarks and sold in Pounds. There is a presumption that one compares like with like, yet this does not apparently extend to sterling of 1965 and sterling of 1973. Yet some may remember the country's derision at Mr. Wilson's pound-in-your-pocket speech.

The capitalist's unacceptable rate is this resealed for the time being, unless he is prepared to risk the costs of at least going to the Court of Appeal and possibly the House of Lords, and losing. It would, of course do no harm for every capital gains assessment to be appealed against on the grounds that it was inconsistent with reality, but the British in general will continue to pay up rather than display a lack of apathy.

R. M. Goodrich,
Greenlites,
Pine Coombe, Croydon.

Agency nurses

Sir—Mr. Law's letter (November 10) prompted me in wishing to put forward another viewpoint on "real" losses.

Recently at a London hospital I asked the friend who I was visiting to explain a coloured belt worn by a nurse, he explained it was an agency nurse.

I was further informed that the nurse concerned had only completed her training some weeks earlier in the very same ward where she was now employed as an agency nurse and at a far higher remuneration.

Hospitals are doing a great job as are all the doctors, nurses and other staff. They have tremendous problems staffwise but surely Mr. Law is not advocating that the hospital ward should become like the London

office which is staffed largely by agency staff with only an apparently one-sided benefit.

A. W. Starling,
49, Treadwell Road,
Epsom, Surrey.

Unregistered accounts

Sir—Much time has been spent recently in discussion of the proposed move of Company's House to Wales. I wonder if any of your readers have had similar problems to myself. I have tried to get the accounts of a Northern Ireland private company only to find that under Section 122 para 4 of the Companies Act Northern Ireland 1960, private companies do not even register accounts. So much for the increased moves towards accountability among companies.

B. H. White,
11, Cherry Tree Road, N.2.

Battery cars

Sir—Please permit me to devastate Mr. L. Seed's arguments (November 13) that the battery car is no solution to city traffic.

The "power" requirement is only high at high speeds where there are vast losses due to wind and rolling resistances. At lower speeds, a given amount of "power" will either provide violent acceleration or balance resistive losses to provide some maximum speed, or between these two limits a practical balance may be chosen by alteration of effective transmission ratio, at say, the back axle.

In the city, speed is limited anyway, even on approach roads: apart from the fact that the average driver appears incapable of handling safely the full available acceleration of the more stodgy family saloon, the opportunities of doing so in the city are nil, and the proportion of available power actually used in city work is quite small.

Thus neither high speed nor vast acceleration are permissible in practical terms, and the required power level is really quite low, much lower than the average family saloon possesses:

certain types of electric motor exhibit the kind of low speed torque required for initial acceleration.

The more real problem is the limitation of range due to the low ratio of energy storage to weight. This can be improved two-fold given means for rapid charging in the city, so that either the operational range can be doubled or half-size batteries used for an unchanged outcome, with a consequent reduction of primary cost and materials consumption.

The principles required by such a charging means, user-proof and benevolent to the battery, are at last proven possible: the physical development of such a system could have been completed had the taxation of the inventor been realistic rather than punitive.

James A. MacHugh,
16, Elmfield Park, Gosforth,
Newcastle upon Tyne.

State occasions

Sir—As a nation we excel at State occasions and coverage of them must be a valuable export, while to have every woman in the country crouched over a TV set at least temporarily stopped them spending borrowed money on imports.

Might not this be an appropriate time just after the publication of the Kilbrandon report, to establish a tradition for obligatory State funerals for leaders of governments which fail to keep their promises to the electorate. Foreign television rights, and the effects on the democratic process, would surely be beneficial.

C. J. Fell,
Croston House,
Newport, Essex.

Make use of people

Sir—In reporting on the great energy displayed and on the heavy work load carried by 75-year-old Prime Minister Mrs. Golda Meir, you have highlighted the great paradox of our time.

A 58-year-old Government Minister is termed an "up-and-coming youngster," while his counterpart in industry and commerce is regarded as ripe for the scrap heap. Indeed, politicians and trade union leaders vie with each other to guide their charges into ever earlier retirement, regardless of their state of health, accumulated skills and knowledge—(after all, in ancient Sparta, the over-forties were too old to be permitted survival!).

Retirement for what? Surely the time has arrived for an industry-sponsored intensive, high level, priority research programme into human motivation and energy resources, relative to the retirement age, and function before we permit our despoils to weaken—(with possibly the best of intentions—with the accumulated human energy resources.

David Kut,
David Kut and Partners,
Rosebery House,
Tottenham Lane, N.5.

The week in Munich

Sir—As a resident of Munich it has given me a good deal of pleasure to see how successfully the British Week has been organised. In particular the contribution made by Princess Margaret has been outstanding and not only did she endure herself to the local citizens but very effectively brought the British presence and goods in the city to the forefront.

Disappointing to me, particularly in the light of the professional way in which British Week has been promoted, is the relative absence of British goods for sale which was the prime reason for the occasion. This is not to denigrate the efforts of a handful of British manufacturers who have obviously taken full advantage of the opportunity but to highlight that at a time when the opportunities to compete effectively in Germany must be greater than ever before, so few manufacturers have found it worthwhile to take part.

One reads of an overheated economy in the U.K. but unless the present opportunity to export to Europe is used to full advantage, we shall fail to gain the trading foothold which is so vital to the U.K. playing a larger part in the fortunes of the Common Market.

H. A. A. Smith,
8 Münchenhof,
Schneckenstr. 4/1.

Only one face

Sir—Lord Lloyd-George of Dwyfor, while castigating you for allegedly misquoting the Prime Minister, says (November 13): "A quick reference to Hansard will show that his words were 'An unacceptable face...'. I have referred quickly to Hansard. It shows quite clearly that your reporter's use of the definite article was accurate."

I suggest Lloyd-George takes his own advice and checks his facts before publishing criticisms which reflect adversely on the professional reputations of others.

Robin Findlay,
10, Gleebe Road, Cheam, Surrey.

Remarkable progress

Sir—It was pleasing to see Bryan Platt (November 13) giving credit to the Agricultural Training Board for remarkable progress.

At the moment, I am participating in the "Man Management—Human Relations and Communications" course at the ATB Training Centre at the National Agricultural Centre, so am surprised to see him state that "no provision is made for teaching the skills of leadership and arts of communication."

Due to demand, these courses have been regularly held for the past two years. Perhaps he would like to praise the Agricultural Training Board even more.

C. J. Whitney,
Woolstock Cockshoot,
Ledbury, Hereford.

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National Theatre plays for profit

BY MICHAEL THOMPSON-NOEL

ENT survey indicated long-term future of the commercial London was in some state of flux. In utter contrast, the National Theatre at the Old Vic, which has just celebrated its 25th anniversary, is currently celebrating one of its most successful years of its career.

Successful

In 1970-71 the National Company was £57,000 red; the following year £80,000. The turnaround in its decision to continue in the period before its move to the new South Bank, a one-theatre policy that gave up its lease on the seats in the West End and up only the Old Vic.

Patrick Donnell, the artistic director, explains, "The move coincided with two

brilliantly successful productions—*Jumpers*, by Tom Stoppard, and *Long Day's Journey into Night*. "If we all knew what plays would succeed we would all be millionaires," says Mr. Donnell. "Even the commercial theatre makes some very big mistakes." *Jumpers* was introduced into the repertoire at the start of 1972. It was by no means bound to succeed. But it did. And, together with Laurence Olivier's huge success in *Long Day's Journey into Night*—which was recorded for television and cassette by ATV at Elstree and networked throughout Britain and the U.S.—it launched the National on a lucrative box-office run.

Can it continue? Whatever the views of playwright John Osborne, who in an interview yesterday accused the National of "international gimmicks... it becomes airport culture to have an Italian direct a lot of English actors and turn them into Italians" (a reference to Zeffirelli's *Saturday Sunday* Monday), the National in the past 18 months has achieved a fusion of critical and commercial success which is going to be very hard to follow, particularly as next year the company embarks on a strenuous production schedule of around 10 plays in readiness for its move, in the first half of 1976, to the South Bank.

Each of the 10 productions will have a limited, overlapping run, and it is intended that the best of them form the basis for the repertoire when the company moves to Prince's Meadow. They include *The Tempest*, *Eden*

and (to mark J.B. Priestley's 80th birthday) and to be directed by Lord Olivier; *Spring Awakening*; *Next of Kin* (written by John Hopkins and directed by Harold Pinter); a new play by Peter Nichols, provisionally titled *The Freeway*; room for up to 400 seats.



Lord Olivier, who has just been succeeded as director of the National Theatre by Peter Hall, in "Long Day's Journey into Night."

Rosen's *John Gabriel Borkman* (to be directed by Peter Hall); plus a Shaw and a Greek play. There will also be two mobile productions, probably including *Dr. Faustus*.

The best of these will form the repertoire for the three theatres in the South Bank complex: the Olivier Theatre (with 1,100 seats and an open

are being allocated to one production, some to another. Actors will be paid only while their production is "on stream," and as virtually all of them next year—will be limited to one production, all will need to find some outside work to see them



through. "This is all right for middle- to top-range artists," says Mr. Donnell. "They can more easily work for television. It is not such a good arrangement for artists lower down the scale."

The change has led to a certain amount of acrimony and what Mr. Donnell describes as "tough negotiations" with

Equity. The result has been that the National has agreed that within four weeks of the opening of any individual production next year, the artists involved will be told whether or not it will be transferring to the South Bank in 1976.

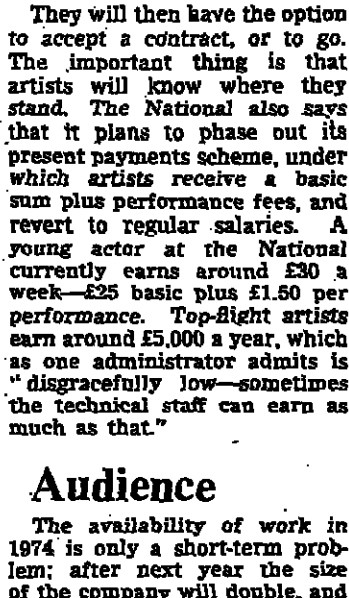


They will then have the option to accept a contract, or to go. The important thing is that artists will know where they stand. The National also says that it plans to phase out its present payments scheme, under which artists receive a basic sum plus performance fees, and revert to regular salaries. A young actor at the National currently earns around £30 a week—£25 basic plus £1.50 per performance. Top-flight artists earn around £5,000 a year, which as one administrator admits is "disgracefully low—sometimes the technical staff can earn as much as that."

For the transitional year, 1974-75, the National has come to an agreement with the Arts Council and the Greater London Council, its principal benefactors, whereby it will be able to operate, virtually, on an open-ended budget. Costs will be difficult to estimate and it has been agreed that the National's grants for next year will be both flexible and realistic.

For 1972-73 the Arts Council

and the GLC provided a total of £558,813, and the National itself imposed certain cuts on its spending, such as design disciplines and "blocking" the repertoire in order to avoid costly week-end changing of sets.



In readiness for 1975, the National is beefing up its administrative team. With around 2,400 seats to sell each evening, instead of the Old Vic's 870, there will have to be a big sales drive. The National has recently appointed a personal assistant to the general manager; a deputy accountant, and a chief for the mailing list department. In readiness for the move to the South Bank the mailing list has been built up to over 30,000. Postal applications at the start of the National's most recent booking period, says Mr. Donnell, were the best ever.

But imponderables remain. "Our relations with Equity are in good state," Mr. Donnell says, "but our relations with the technicians' unions are in embryo. The plan is to introduce regular hours of work, and to rehearse at suitable times and avoid all-night stage fits-ups; we also want to go for proper salaries and avoid overtime. But unions hate change."

Work on the South Bank site is going smoothly enough, but no one cares to forecast the cost or the repercussions of any national building disputes.

Still, that's looking on the bleak side. For the past two years the National has enjoyed a charmed existence. Here's to many more years.

For 1972-73 the Arts Council

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WALL STREET + OVERSEAS MARKETS + LATEST PRICES

Index up 16 on Mid-East hopes

BY OUR WALL STREET CORRESPONDENT

HINTS THAT ARAB countries might relax their oil embargo and hopes for a long-term peace plan in the Middle East fuelled a powerful rally on Wall Street today, but profit-taking cut into the gains.

After rising 19.04 to 893.59 in the first hour, the Dow Jones Industrial Average partially retraced to 890.72, up a net 6.17, rallied again to 894.47, up 19.75, before settling back at 891.33, for a net gain of 16.78 on the day, which reduced its loss on the week to 17.08.

The NYSE All Common Index rose 70 cents to 553.45, but was off \$1.03 on the week. Rises led falls by 990-to-532. Trading volume decreased 2,026m. shares to 225.1m.

Arab oil sources dismissed White House predictions as unlikely, but it came too late to have much impact on the Stock Market.

The rally faded, but revived after Soviet leader Leonid Brezhnev said his nation and the U.S. had a common desire to see peace established in the mid-East.

Buying centred on issues that were severely depressed recently and concern about fuel shortages, and especially the threat of gasoline rationing.

Motors were active and strong. General Motors gained \$2 to \$37.1, Chrysler \$1 to \$20.1 and Ford \$1 to \$44.9.

Pizza Hut were up \$1.1 at \$18.1 and Harrah's \$2 to \$13.1.

Among International Oils, California Standard gained \$1 to \$94.1, Exxon \$1 to \$89.1, and Mobil \$3 to \$58.1.

Getty Oil fell \$1 to \$18.1. RG and G declined \$2 to \$20 and United Nuclear were off \$1 to \$15.1.

The American SE Market Value Index rose 0.53 to 100.44, but was still down 3.5 on the week.

Houston Oil and Minerals were down \$4 at \$8. Buttes Gas and Oil reacted \$2 to \$60.1.

PARIS—Market steadied after recent declines.

Banks, Portfolios, Constructions, Metals, Chemicals and Oils were mixed. Foods, Motors and Rubbers firmed, while Stores held steady.

BRUSSELS—Generally lower. Dutch Internationals and some South African Golds improved. French and West German issues declined.

AMSTERDAM—Internationals were firmer. Plantations, Shipings and Banks mixed. Investment funds slightly weaker. Insurance firmed. Dutch local issues mixed.

Dutch State Loans narrowly mixed.

MILAN—Mixed to lower in active trading.

GERMANY—Mostly closed lower with Blue Chips losing as much as DM3. Selling, especially in the chemical sector, was evident in all sectors.

ROKMAN, a big construction and civil engineering firm, fell DM28 to 410.

OSLO—Industrials and Shipings easier, Banks steady, Insurance quiet.

VIENNA—Narrowly irregular in quiet trading.

COPENHAGEN—Lower in moderate dealings.

SWITZERLAND—Widely lower in very active trading on continued fears that Switzerland will be hurt by the threatening oil crisis.

TOKYO—Many prices lost ground in a rush of selling, prompted by the Government's oil-saving campaign. Volume 270m.

Electric Powers, Motors, Steel and Heavy Electricals were expected to suffer heavily from the shortage of oil.

SAUDI ARAB—Industrials eased, but Minings and Oils continued firm.

Poseidon eased 4 cents to \$45.40 and Peko-Wallend shed 6 cents to \$45.35.

Great Boulder Mines at 74 cents and Gold Mines of Kalgoorlie at 94 cents each rose 4 cents.

In Oils, Wallend-Burmah gained 3 cents to \$41.17 and Endeavour 3 cents to \$41.17.

JOHANNESBURG—Gold shares firmed in quiet trading, attributed to lack of London selling.

Platinums were mostly below the day's highest levels. In City, a session closed at \$65.55, after \$64.45.

Mining Financials were little changed in quiet trading.

Industrials were easier.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Change	High	Low	Open	Close
Nov. 16	19.04	893.59	886.41	874.55	893.59
Nov. 15	-17.08	877.63	874.55	874.55	877.63
Nov. 14	12.50	865.13	862.05	852.63	865.13
Nov. 13	15.00	850.13	847.05	835.13	850.13
Nov. 12	10.00	840.13	837.05	830.13	840.13
Nov. 11	15.00	825.13	822.05	810.13	825.13
Nov. 10	10.00	815.13	812.05	800.13	815.13
Nov. 9	15.00	800.13	797.05	785.13	800.13
Nov. 8	10.00	795.13	792.05	780.13	795.13
Nov. 7	15.00	780.13	777.05	765.13	780.13
Nov. 6	10.00	775.13	772.05	760.13	775.13
Nov. 5	15.00	760.13	757.05	745.13	760.13
Nov. 4	10.00	755.13	752.05	740.13	755.13
Nov. 3	15.00	740.13	737.05	725.13	740.13
Nov. 2	10.00	735.13	732.05	720.13	735.13
Nov. 1	15.00	720.13	717.05	705.13	720.13

STOCK AND BOND YIELDS

Nov. 16, 1973

Ind. Ord. Yield	Govt. Bond Yield	Corp. Bond Yield
11.25%	11.25%	11.25%

FRIDAY'S ACTIVE STOCKS

Stock	Change	High	Low	Open	Close
Nov. 16	19.04	893.59	886.41	874.55	893.59

TORONTO

INDUSTRIAL INDEX

Nov. 16, 1973	Nov. 15, 1973	Nov. 14, 1973	Nov. 13, 1973	Nov. 12, 1973	Nov. 11, 1973
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

MONTREAL

INDUSTRIAL INDEX

Nov. 16, 1973	Nov. 15, 1973	Nov. 14, 1973	Nov. 13, 1973	Nov. 12, 1973	Nov. 11, 1973
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

JOHANNESBURG

COMBINED INDEX

Nov. 16, 1973	Nov. 15, 1973	Nov. 14, 1973	Nov. 13, 1973	Nov. 12, 1973	Nov. 11, 1973
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

AMERICAN SE MARKET VALUE INDEX

Nov. 16, 1973	Nov. 15, 1973	Nov. 14, 1973	Nov. 13, 1973	Nov. 12, 1973	Nov. 11, 1973
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

F.T. CROSSWORD PUZZLE No. 2,328

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4A 3DF. Winners and solution will be given next Saturday.

Name _____

Address _____

STANDARD AND POORS

U.S. STOCK INDICES

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

SYDNEY ALL ORD. INDEX

Nov. 16, 1973	Nov. 15, 1973	Nov. 14, 1973	Nov. 13, 1973	Nov. 12, 1973	Nov. 11, 1973
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

HONG KONG INDEX

Nov. 16, 1973	Nov. 15, 1973	Nov. 14, 1973	Nov. 13, 1973	Nov. 12, 1973	Nov. 11, 1973
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

SINGAPORE INDEX

Nov. 16, 1973	Nov. 15, 1973	Nov. 14, 1973	Nov. 13, 1973	Nov. 12, 1973	Nov. 11, 1973
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

TOKYO NEW SE INDEX

Nov. 16, 1973	Nov. 15, 1973	Nov. 14, 1973	Nov. 13, 1973	Nov. 12, 1973	Nov. 11, 1973
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

EUROPE

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

GERMANY

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

MILAN

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

AUSTRALIA

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

AMSTERDAM

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

STOCKHOLM

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

BRUSSELS

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

COPENHAGEN

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

VIENNA

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

OSLO

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

TOKYO

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

PARIS

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

LONDON

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

JOHANNESBURG

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

MONTREAL

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

TORONTO

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

STANDARD AND POORS

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

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STANDARD AND POORS

U.S. STOCK INDICES

Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

SYDNEY ALL ORD. INDEX

Nov. 16, 1973	Nov. 15, 1973	Nov. 14, 1973	Nov. 13, 1973	Nov. 12, 1973	Nov. 11, 1973
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

HONG KONG INDEX

Nov. 16, 1973	Nov. 15, 1973	Nov. 14, 1973	Nov. 13, 1973	Nov. 12, 1973	Nov. 11, 1973
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

SINGAPORE INDEX

Nov. 16, 1973	Nov. 15, 1973	Nov. 14, 1973	Nov. 13, 1973	Nov. 12, 1973	Nov. 11, 1973
11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

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Do you have a lump sum to invest for capital growth? Or for income? There are many types of investment available to you, each with its own particular benefits. And its own disadvantages. But before you take a final decision, one investment worth serious consideration is Hambro Managed Bonds.

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Address _____

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COMPANY NEWS

Wedgwood profit doubled after six months

ON SALES 20 per cent ahead at £12.8m, profits of Wedgwood, the fine bone china and earthenware group, have more than doubled from £770,000 to £1.64m in the six months ended September 29, 1973.

After tax and taking in extraordinary credits of £52,000, the net balance is £1.18m, against £514,000—equal to earnings per share of 10.25p (5.09p) or 6.93p (4.14p) excluding the credits.

Chairman Mr. A. Bryan says that normally he would regard the first half results as a good start to the current year. "The results are indeed closely in line with our carefully laid plans and if our dam holds against the ever increasing floods of new regulations, restrictions, advice and admonitions... we may yet achieve our target for the year to March 30, 1974."

At this time he is confident that if the little freedom left to management is not further encroached upon, "we shall do so. However, it should not be expected that the exceptional proportion in the two half years' results in 1972/73 will be repeated in the current year."

Retailing of group products continues to be buoyant in all markets—Mr. Bryan singles out the U.S., Canada, Australia and the home market in this respect.

Rising costs have left no option but to increase export prices and, within the limits allowed, home market prices, and there has been no evidence of consumer resistance to these adjustments.

Export prices will be increased again generally throughout the group on January 1.

Members are told that immediate prospects appear favourable and although Phase II looks as though it will bring higher costs and lower margins in the home market, the continuing floating of sterling may be helpful in the further development of the overseas business.

It is likely that second half sales will exceed those of the first.

For tax reasons the interim dividend will be paid in April 1974 and it is anticipated that it will be increased by the permissible margin. For 1972/73 an interim of 3.75p and a final of 4.125p were followed by a 100 per cent. scrip issue. Pre-tax profit for that year was £2.58m.

External sales 1973 1972

Trading profit 1,738 951

Interest payable 110 21

Profit before tax 1,628 930

Taxation 444 256

Net profit 1,184 674

Extraordinary credits 52 0

Net profit 1,236 674

Compared with 1972/73

(£94,000) and surplus on disposal of

hold and leasehold properties £12,000

(nil).

See Lex

BURRELL
Burrell's interim dividend is lifted from 5 per cent to 5.5 per cent. gross—the total for the previous year was 15.75 per cent. and

not 10.75 per cent. as shown in Thursday's report. The figure was correctly given in the Dividends Announced table.

Marling profit and interim up

FROM SALES of £2.48m, against £2.28m, profits of Marling Industries, manufacturers of industrial textiles, have expanded by £147,000 to £355,000 in the six months ended September 30, 1973.

The interim dividend is raised from 0.33p—adjusted for a scrip issue—to a gross equivalent 0.23p, 0.245p net. Total for 1972/73 was equal to 1.13p, paid from profits of £436,000.

A revaluation of group properties shows a surplus of £399,000 which has been placed to reserves.

Group sales 1973 1972

Profit 355 208

Taxation 120 86

Net profit 235 122

Interim dividend 0.23p

Final dividend 0.245p

Total dividend 0.475p

Previous year 1.13p

Revaluation of properties £399,000

Reserves £399,000

U.S. sales £2.1m (49.1%)

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accepted by underwriters at a construction total loss.

The directors have agreed to acquire a 34th share in a semi-submersible drilling rig under construction in Finland. The venture will be undertaken by one of the British owners. Turnbull's share will be taken by a new wholly-owned subsidiary Warole.

The Tronate has been sold at a "satisfactory" price to Danish buyers for delivery in November (Whitehall Shipping), in which Turnbull has a 50 per cent. stake.

Turnbull has a further chemical carrier of about 3,300 d.w.t. from Norway for delivery in July 1974.

A similar chemical carrier was ordered by Turnbull from Richards (Shipbuilders) for delivery in June 1975.

ON A SUBSTANTIALLY increased turnover of £4.1m, against £2.79m, group pre-tax profit of Hawtin amounted to £1,001,000, compared with £593,000, for the half year to July 31, 1973, after increased interest charges of £1,645,000, against £485,000. Profit for the year to January 31, 1973 was £1,836,322.

Fully diluted earnings per 10p Ordinary for the half year, shown at 1.54p (1.31p), and the interim dividend is 3.5 p. cent. net—equal to last year's 8 p. cent. gross. The 1972/73 gross turnover was £5.3 p. cent. The business is that of banking and finance.

Half year 1973 1972

Turnover 4,101 2,790

Profit before tax 1,001 593

Interest payable 1,645 485

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GUS current year sales and profits ahead

SIR ISAAC WOLFSON, chairman of Great Universal Stores, told yesterday's annual meeting in London that in the first six months of the current year, sales and pre-tax profits of the group would compare satisfactorily with the same period last year.

Figures for the period were to be published shortly, he added. In the face of economic uncertainties and severe inflationary pressure, the Board was hopeful that the group's spread of activity in retailing, finance and property at home and overseas, coupled with "prudent" accountancy methods, "should help us to continue to make progress related to the economic circumstances of these countries in which we are trading," said Sir Isaac.

Additional selling space was being brought into operation, and there were plans for substantial capital investment in mail order and computerisation. As well as internal growth "we will continue our policy of expansion by acquisition as and when suitable opportunities arise."

Meeting Page 14

Silhouette up by over 16%

TAXABLE PROFIT of Silhouette (London), the foundation garments and swimwear group, improved by more than 16 per cent to £398,812, on turnover up almost 30 per cent to a record £4.6m, for the six months to June 30, 1973.

Chairman, Mr. T. Blumensau, said in April, when last year's preliminary results were announced, that despite the cost of expansion he anticipated that 1973 would show a "satisfactory increase in profitability."

Group pre-tax profit for 1973 was £488,724 on which dividends totalling 27.5 p. cent. gross were paid.

Meanwhile an interim dividend unchanged at 10 p. cent. gross is declared—7 p. cent. net.

Mr. Blumensau says that all the group's U.K. companies were prevented from achieving better figures by a considerable shortage of raw materials.

Salop and J. O. Pierson increased sales and profitability, but the decision to build up the labour force at Thruscoe—to double its size from the beginning of the year—resulted in its loss situation continuing.

In overseas trading at Forman—the Belgian subsidiary—the loss for the first half 1973 has been reversed and this company increased sales and traded profitably.

Difficult conditions in France, and a substantial investment in new sales representatives at Silhouette (Paris) reduced profitability of this subsidiary.

Noting that the first six months' trading normally provides a greater proportion of the year's results the chairman says that the order book at the end of October of all companies, with the exception of France, was considerably higher than 12 months earlier.

Results for the remainder of 1973 depend "very much on the ability to recruit enough labour in the U.K. to convert these orders into deliveries to customers by the end of the year."

He adds that this, combined with raw material shortages and Government legislation, make any accurate forecasting of the full year "very difficult."

No breakthroughs but the boom continues

BY COLIN INMAN

"And you thought Fisher was your reach," says a recent advertisement in the Press. An ad for a complete system, perhaps, costing out £150? Not a bit of it, Fisher are promoting a quadraphonic receiver (tuner-amplifier) costing £286. Add a turntable, pick-up arm and cartridge and four loudspeakers and you wouldn't have much change from £600. The thought of this equipment not being your reach may bring a smile to the face of the "average" reader of hi-fi journals, who, on the evidence of their "question and answer" columns seems to be about £150 to spend.

But nothing is surprising in a hi-fi industry, which has come used to reports that its sales are "doubling each year," over the past couple of years this does seem to have the case. Total sales of over £100m. are expected for 1973. Figures for "audio" or hi-fi sales are not easy to come by since there is as yet no standard covering the industry and no two people agree as to what is high fidelity and what is not. However, a report due to be published later this month by a research, entitled "Tuners, amplifiers and combined hi-fi units," gives a valuable statistical breakdown of the market home and abroad and of the industry's structure.

The continuing boom has taken place without much assistance from any major technical breakthrough. True, quadraphony has begun to make a mark, but at present quadraphonic equipment is thought to make up well under 10 per cent of total sales. This failure to make a real impact is a result of the manufacturers' inability to agree on a common standard. At present there are two main methods of producing four-channel sound. One is the discrete system, developed by RCA (which issues four-channel discrete records), and the other is the "matrix" quadraphony. The latter divides again into a number of competing systems, the best known of which are SQ (the CBS system adopted by EMI, which has issued a large selection of SQ records), and the Sansui QS system, promoted by Pye.

There are several other matrix systems in existence, and a further body of thought reckons that a three-channel system would have produced just as good a sound without throwing up the technical barriers that are currently proving so difficult to surmount. My own advice to the prospective purchaser would be not to bother at present; let the industry sort itself out a bit first. (It is, of course, possible to create a sort of surround sound by connecting one or two rear speakers to the positive amplifier speaker terminals; several new amplifiers provide facilities for this "ambiphonic" sound.) The BBC is experimenting with the various systems but has come to no firm decisions as yet.

Better value

The "average" buyer, however, seems to want a stereo set-up costing £100-£150, although opinions differ as to whether true high fidelity can be obtained for this sort of figure. What one can say with certainty is that better value throughout the whole range of prices is available to-day than only a year or two ago, and that by choosing carefully it is possible to obtain satisfying sound from disc for a little over £100, though you would need to add £30-£40 for a radio tuner.

It is in this area, too, that it is most difficult to discriminate between the good, the average and the awful. Many of the "unit audio" systems that make up the bulk of sales at the lower end of the market contain a large proportion of the same ingredients, sometimes differing only in the quality of finish. There would be much to be said for buying the model which sports the biggest discount if it were not for the fact that its original price might have been set artificially high as an encouragement to the discounters to stock it.

Further up the price scale it seems to be a case of manufacturers trying to jump on each other's bandwagons. Thus we find both Goldring and Garrard producing belt-driven turntables to satisfy the increasing number of buyers who favour the silent operation that this can offer. A further Garrard model incorporates quadraphonic decoders in the turntable module, an idea that may well catch on. Goldring have also moved into the "unit" field, joining Goodmans, Wharfedale, Philips, HMV, Dynatron and a number of others.

Many of these "unit audio" packages give good value for money, particularly when offered at a discount, but it is often possible to find an even better buy in a system made up by a dealer and offered at substantially less than the list price.

The big names of the hi-fi world continue to update their product ranges with increasing frequency; at times it is hard to keep up with what is going on in the big Japanese companies, who seem to produce a new selection every year. This, of course, would not be economically worthwhile if they depended on U.K. or European sales alone, but it is the vast American market that determines their policy, a market which also dictates the design and facilities of much Japanese equipment. But, to many British buyers, the fact that the better Japanese makes are generally less likely to go wrong is likely to outweigh the fact that facilities are less suitable to the British taste.

The companies of the Thorn group, Philips and the various Rank names are among those who are actively meeting the foreign challenge. Of the Rank concerns, Leak, in particular, is producing new equipment at a rate that would surely horrify the firm's founder.

It is a further indication of the current mood of confidence in the industry that new brand names are constantly springing up. Some are the products of new firms and in other cases a British firm markets goods

Hi-Fi

FINANCIAL TIMES REPORT



produced overseas. Pyser-Britex, U.K. distributors of the up-market Marantz range, are now marketing a selection of Tele-dyne budget range equipment, which is made in Korea; Soundesign equipment is being promoted by Laitex of Manchester; Plustronics is a new company selling budget equipment by Nippon Columbia and Lustraphone, all producing high-Orion of Japan; further up the market Wilmer are finding that the French-made Era belt-driven turntable is a popular alternative to Thorens/Garrard, IMF, Transcriptors, Sendor, etc.; and Noble Ventures are Rogers, Bowers and Wilkins, is confident of its future.

introducing Hirtel and Studio Cambridge Audio, Lecson, etc. amplifiers and the A. P. Selmin range of speakers, all designed and made in Italy.

Among British manufacturers several have joined in at the expensive end of the market over the past couple of years. The buyer (and there are thousands) who begins with a £100 system and ends up a few years later with one costing £500 or more. And this is for the stereo only. With quadraphonic sales hardly off the ground and various video systems round the corner no wonder the industry is confident of its future.

The majors gild their image

BY ARTHUR SANDLES

Although there seems little reason to think that hi-fi will live up to the expectations of the dreamers, who see it as the successor of colour television and the salvation of the domestic electronics industry, there is no doubt that rapid growth is here to stay. The indications are that this year's audio sales by the main body of the industry will be around 60 per cent up on last year—a growth record which compares with the 70 per cent increase in colour TV disposals. This is not to knock the hi-fi business. After all, we are dealing in heavy statistics. Any industry which can see its consumer off-take rise by nearly two thirds is indeed one to be envied.

The growing attractions of hi-fi as a business has led to a situation in which the major groups—Thorn, Philips/Pye, and Rank—have moved into the market place in force. Either via acquisition, introduction, or forceful marketing of existing activities, there is little doubt that these companies have achieved domination of the hi-fi business in a relatively short time. Thus the structure of the industry has changed dramatically, leaving the names of old cally, leaving the names of old to that one lies in the new parts of the bigger groups), the degree to which the buying but with the bulk of the of hi-fi is "discretionary" purchasing, akin to the acquisition of a fur coat, diamond ring, or regular purchasing, bearing greater similarity to the buying of a new refrigerator. If you place hi-fi in the discretionary sector you might come to the conclusion that an element of sluggishness might now be expected to enter the picture.

However, such a jaundiced attitude is certainly not the one which has been taken over the past few years by the majors of

Question mark

The big question mark, of course, is what will happen to the business if there is to be a squeeze in earnest. The answer to that one lies in the new parts of the bigger groups), the degree to which the buying but with the bulk of the of hi-fi is "discretionary" purchasing, akin to the acquisition of a fur coat, diamond ring, or regular purchasing, bearing greater similarity to the buying of a new refrigerator. If you place hi-fi in the discretionary sector you might come to the conclusion that an element of sluggishness might now be expected to enter the picture.

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A new 20 + 20-watt amplifier from Ferrograph is priced at £86. The company has also recently introduced a 60 + 60-watt amplifier and matching tuner (£149 and £105).

Whichever way you play it, it's a good investment.

If you're trying to choose a turntable from the bewildering array of hi-fi equipment on the market, BSR offer you a very sound investment.

Yes, we still have the lion's share of the record turntable market, both in the UK and internationally.

And we still supply BSR turntables for the stereo systems of the largest original equipment manufacturers in the UK and for many Japanese manufacturers too.

So what's new?

Well, for a start, our share of these markets has grown considerably. What's even more gratifying is our growing success in Europe. In fact, last year, BSR is one of the top companies most likely to benefit from the growth of the Common Market.

We've also acquired Audio Dynamics from the USA, one of the world's leading cartridge makers, as part of our expansion programme.

Our turntables now have ADC (Automatic De-celeration) systems, specially designed for them. And we're always looking for new ways to find out what makes our customers to let us explain all the finer details when we send you our brochures.

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Name

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BSR
McDONALD

HI-FI II

Few holds barred in the discount war...

BY COLIN INMAN

We'll give you the full treatment!

We can't compete on price with the discount stores. They can't compete with us on knowledge, equipment, installation and service. That is a fact. We have the backing of a highly qualified technical and installation staff, some with degrees in electronics and all with years of experience in the field of high definition sound.

This Autumn we are showing a number of exciting new pieces of equipment some of which are illustrated below. High Fidelity is a highly technical field and to get the best out of it you need the best equipment and the best professional knowledge and advice. So contact us today and get the full treatment.

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Besides the ever-expanding range of high quality audio connectors, audio switching units, headphones and small components, Q.A.S. are branching out with main line equipment—amplifiers, speakers, A/C/D converters, DC car adaptors and disc cleaners.

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High fidelity starts with Goldring.

True sound reproduction starts with the cartridge and turntable. If the music stored on record is not transcribed exactly as it was recorded, even the most expensive amplifier and speakers can't give concert-hall performance.

That's why we call our turntables transcription units. They transfer, note for note, all the varied depths and tones of the orchestra and voice.

To give perfect sound. Of course, you still have to choose the rest of your system. But if you start with Goldring, you can't go far wrong.

Goldring

Goldring Limited, 10 Bayford Street, Hackney, London E8 3SE.

Shown above U.L.S. P.C. One of the units in the Goldring-Lenco range.

In the eight years since the retail price is about £176; and abolition of resale price maintenance the pattern of trading in audio (and other) goods has undergone a total change. The rise of the discount and mail order house has not only taken away a great deal of business from the traditional High St. dealer but has also forced him to adapt his own methods of trading. Several of those unwilling to make the change or having to give up time to have gone out of business, and the discounters have mushroomed in line with the industry's startling growth over the past few years.

The mark-ups on hi-fi equipment which is sold at full price can be very high (even artificially high), of the order of 50 per cent. In some cases, it is not surprising that discounts of around 40 per cent can be found, and that even the High St. dealer may be able to afford to give a reasonable reduction on most equipment. As an example, the trade price of an Onkyo 733 amplifier is roughly £108 (if bought in a batch of six); the recommended

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...and the tape v. disc battle rages on

BY ARTHUR SANDLES

"We wondered when it would happen, and suddenly it has." The man from Philips is obviously a little biased in declaring the past 18 months as being the period of breakthrough for tape in general and the cassette in particular. But there are certainly signs that the tape market has suddenly moved into the big league. This year—and the prime season has yet to be with us—cassette sales may be around one-third of full price LP sales, a sign of real maturity in a market which was for a long time regarded with scorn.

The tape v. record battle is one which has raged for a long time with sub-arguments over cassettes, cartridges and reel-to-reel going on in the wings. The main arguments in favour of records have been cost, produc-

tion, convenience, and sound fidelity. In favour of the cassette has been storage safety, playback simplicity and portability. But the big problem for the cassette has been the massive, and remaining, public investment in record reproduction equipment. However, hundreds of thousands of cassette players have been sold in Britain this year and the demand for software for these units is rising rapidly.

However, tape enthusiasts still face a basic difficulty in campaigning for their favourite sound vehicle. Tape replay equipment is considerably more expensive than the equivalent record players. A reasonable cassette deck to-day will not cost very much less than £70. In order to match good record production it will have to be

"Dolbyised" (which eliminates much of that nasty tape hiss), but it will have the added advantage that you can make your own stereo recordings. Getting material to play back on the equipment is not the easiest of tasks. Some, but not all, pre-recorded tape producers issue Dolbyised tapes, and the quality of reproduction on some pre-recorded cassettes is variable or, at the best, so far no one has seen fit to go in for really high quality pre-recorded tapes. At the recent London Audio Fair BASF demonstrated, to use its own words, "near perfection in cassette recording by using chrome dioxide tape, stereo phony and the Dolby B system."

It also added that such pre-recorded tapes are not available in the U.K. This, however, must surely be

only a matter of time, since the march of the cassette now seems unstoppable. The only rival owner tends to buy pre-recorded tapes. If this trend continues the producers of pre-recorded systems used heavily in the U.S. music could well have a massive new market in the sale of material for portable players opened to them.

But such playback machines are, of course, a long way from having a domestic hi-fi system based on cassettes. The user can also transport his music to car or caravan.

For the moment the decision between a tape system and one based on records is a difficult one. Supposing that you do not decide to venture into both, and there are several units which handle both tape and records, the weighing of the pros and cons is full of problems. If you can run to the best in tape playing equipment and, if you are, like me, the sort of person who likes records, cassettes may be the thing. However, you will be in for some disappointments over tape quality and the fact that even now some record shops do not always carry a comprehensive cassette range. If you want good reproduction at a lower price, are careful with records, want the flexibility that cassettes cannot offer (ever tried to find a particular part of a pre-recorded tape?) and want instant access to a wide product range it must be records. One added asset of tape is, of course, that you can record the radio broadcast, or the commentary on the big fight, with your speakers turned off. Many is the recording I have made while entertaining to dinner.

Fortunately, for the moment, neither decision can be terribly wrong since both tape and record are likely to be with us for a very long time. And the battle should make interesting reading for a few more years to come.

Few problems

What the discounters do not do, of course, is set the equipment up and attend to any faults in your home. So if you are liable to plug the loudspeaker leads into the mains socket, forget about discounts and visit your friendly neighbourhood dealer. In fact, setting up a system made by one manufacturer should present few problems, since it will be obvious which plugs go where: the same applies to systems made up by a dealer (Comet advertisements are usually supplied with the correct plugs and leads. It is only with systems when different items have been bought separately that problems may arise; and the more expensive the equipment (particularly pick-up arms

and turntables), the more care is needed in setting up and the more there is to go wrong. The other major disadvantage of buying from a discount house is that, at best, only a limited number of items are on demonstration. This does mean, of course, that you are unlikely to be sold an amplifier that has been demonstrated for several weeks and has had a succession of grubby fingers trying to pull its knobs off, and in the case of electronic apparatus (amplifiers, tuners) it is difficult actually to hear any great differences in sound quality so that provided you are confident of the equipment's main parameters (output power, distortion, etc.) you can buy "unheard" with reasonable confidence. But pick-up cartridges and loudspeakers do determine to a large extent the type of sound you will end up with, and it is obviously useful to hear these in your own listening room (rather than the dealer's showroom) before buying. Loudspeakers, in particular, are a very personal choice. For the buyer for whom these considerations are of paramount

importance, a new service called Audio-Advisers, set up earlier this year by George Elliott, Stanley Kelly and Harold Percival, is likely to prove popular. For a fee of £50 the firm undertakes the complete planning of a system, makes audio measurements in the listening room, tests the hearing of the prospective listeners, tests, installs suitable equipment and ensures that it is working properly. The fee reduces by £5 for every £100 spent, so for a system costing £400, you would save £30 as well as buying the equipment at full price, in normal circumstances (i.e. unless any "building in" was required) leads and plugs are included in the price. This sort of service may well find favour among those who are prepared to pay for goods that operate to their optimum standard of performance—and this is often not the case.

A few manufacturers still prefer their products not to appear on the discounters' lists, and it is rare to find Quad, Trip, Sony, or Bang and Olufsen, for instance, at other than full

price. Other names could be added to the list: one small firm which manufactures a specialist product (a television sound monitor) feels it can only be satisfactorily serviced by the maker. The firm therefore relieves the dealer of responsibility for faults and allows him a discount of 20 per cent. The company refuses to sell to wholesalers or discount merchants and finds that the public are very happy to receive efficient (and swift) service direct from the manufacturer and that the dealer is happy with his (genuine) discount.

One final point: of the 50 or so discounters' advertisements in the current issue of Hi-Fi News, about two-thirds include VAT in their prices, the other third do not. A simple soul might be forgiven for thinking that those who don't include VAT are trying to make their prices seem lower than those of their competitors. But maybe they have a better explanation.

Celestion
Loudspeakers for the Perfectionist

What is TELEFI?

Telefi brings you the first time real Hi-Fi results from your existing U.S. Hi-Fi system.

T.V. Studios transmit superb quality but rattle in the sound section of the receiver must low-f sound.

Celestion Telefi changes all that—enough to most T.V. receivers and your Hi-Fi, the first T.V. music you hear through Telefi will convince you the dramatic improvement is what you have been waiting for.

Send coupon for details of the fabulous Celestion sound equipment to—

ROLA CELESTION LIMITED
FOXHALL RD., IPSWICH, SUFFOLK IP3 3JP

Name _____
Address _____
Tel. _____

see **SONY** at
Tape
Recorder
&
Hi-Fi
Centres Ltd.
82 STOKES CROFT
BRISTOL

Continued from previous page

The majors

should be tested carefully before purchase.

But there is a wide range of products in the upper-price bracket, being made by the majors. Thorn has grown sufficiently interested in the business to open a new factory for hi-fi

production and has made hi-fi tuners and speakers that the idea of "unit audio" started. Clearly this fragmentation of the business could not survive the real invasion of the high street. Once sales started to bite down into the marketing pyramid it became clear that Murphy moved early in the although lip service was still to be paid to the "unit" concept. Arena and Wharfedale has not been entirely happy but the by a unified design concept was aggressive entry into the market with these brand names and heart. Even the State-owned Leak continued and is probably Scandinavian quality speaker producing a more satisfactory reward at the moment.

Part of the problem of the business for the majors has been created by their own slowness in moving into it. The name for quality sound tended to go to the Grundigs, Bang and Olufsen, Sonys and Trios of the world, companies which moved into the business quickly. This left the British majors in a situation where there was a need for a measure of re-establishing a brand image in the area of traditional market suppliers in true stereo. For a time companies indulged in some relatively expensive glossy advertising.

In terms of distribution this has certainly all paid off. High Street outlets are now nicely stocked with U.K. products, and the public mind has been turned once more to British brand names for its sound, to some degree at least.

The majors have also capitalised on a trend which was predictable and is now with us to a considerable degree. The traditional hi-fi market, and still the hard core of the business, is made up of enthusiasts who mix and match their equipment. These true followers of the world of wow and flutter may have as many as half-a-dozen different brand names on their systems. It is from this origin of separate decks, amplifiers,

tuners and speakers that the idea of "unit audio" started. Clearly this fragmentation of the business could not survive the real invasion of the high street. Once sales started to bite down into the marketing pyramid it became clear that Murphy moved early in the although lip service was still to be paid to the "unit" concept. Arena and Wharfedale has not been entirely happy but the by a unified design concept was aggressive entry into the market with these brand names and heart. Even the State-owned Leak continued and is probably Scandinavian quality speaker producing a more satisfactory reward at the moment.

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Amid the wealth of accomplishment of audio technology world-wide, the design of quality loudspeaker systems remains uniquely a sphere of British eminence. Whether you be primarily music-lover, high-fidelity enthusiast or home-maker, these superlative products have a great deal to offer you.



Mordaunt-Short Ltd

The Causeway, Petersfield, Hampshire GU31 4JT
Tel. Petersfield (S.T.O.) 07301 48315
Designers and Manufacturers of Quality Loudspeaker Systems

HI-FI III

Buying with care

BY COLIN INMAN

Hi-fi is an expensive hobby, and testing equipment for reviews is a time-consuming and costly business—test equipment is particularly expensive. Eventually, no doubt, more laboratories will cater for this sort of work and eventually the magazines will test a representative selection of what is available rather than having to limit themselves to equipment submitted by the manufacturer. Transcriptions, turntables, for instance, are widely respected and yet they have never been reviewed simply because the company has not sent them in. However, the reviews that do appear are generally models of objectivity and must be a determining factor in many people's choice.

Useful source

The advertisements, too, are a useful source of information, and they are in great abundance at present—the November issue of *Hi-Fi Sound* contained some 200 advertisement pages out of a total of 242. But one must tread carefully. Ads of the "top quality hi-fi... for only \$49" sort still abound. The letters' columns in the magazine are worth studying, particularly since they often cite instances of goods (naming names) or bad (not naming names) service. And the question and answer columns are obviously proving a boon to many lost souls, so much so that several of the magazines have had to impose a charge for personal replies (usually 50p or £1). *Popular Hi-Fi* employs a staff of three to answer readers' questions, and they reckon to deal with up to 200 queries a week.

Only journal

Any customer of station stalls will know the hi-fi is has mushroomed over the last few years. Six years ago *Hi-Fi News* published by Link was the only journal dealing solely with hi-fi. Though the record magazines and still have hi-fi sections, in 1967 it was joined by *Hi-Fi* and (Haymarket Press), in 1971 by *Popular Hi-Fi* (Haymarket) and in 1972 by *Audio* (C). *Hi-Fi Answers* (also from Haymarket) and *Hi-Fi for you* (Blakeham Productions).

This autumn the magazines have been faster than ever, with *Hi-Fi News* breaking the 300 page per issue barrier, a reflection of the country's prosperity. As a result the magazines' editors are occasionally hard pressed to find high to write about: only a few number of journalists regularly on the subject,

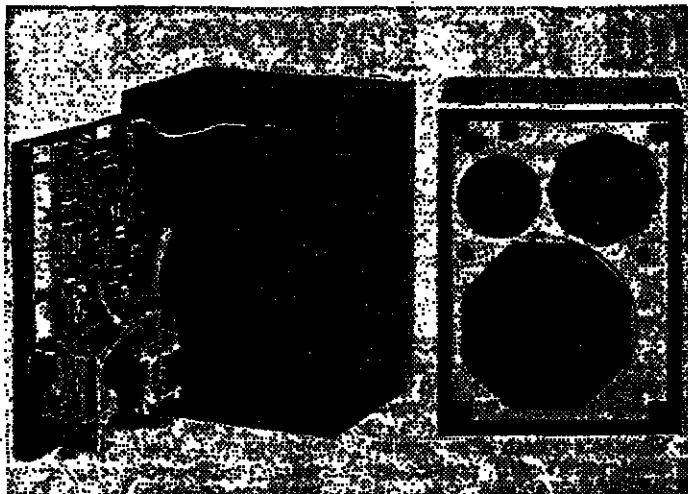
increasingly popular, to judge from the growing numbers who find their way to Olympia each October, and they provide the opportunity to make an instant comparison of most of the equipment currently available, to collect huge quantities of descriptive leaflets and occasionally to meet the manufacturer himself. But listening conditions (even supposing you have the patience to queue up to listen in the first place) are far from ideal. Some of the smaller hi-fi shows in the provinces are often better; these are usually held in hotels—and although the rooms may be small, the furnishings, etc., are nearer to those of the average living room.

Most dealers' demonstration rooms are small, too, and this gives the less scrupulous operator the chance to make an underpowered system sound better than it really is. A dealer's room is often only say 8 feet by 10 feet by 10 feet—800 cubic feet; a modern living room can be several times this figure. Ten watts per channel may be enough for the one, but perhaps 40 watts will be needed for the other.

Worth cultivating

There are, of course, dealers and dealers. A good one is worth cultivating; if only for the security of knowing that he is recommending Brand X because it is reliable and well made rather than because it offers him the biggest profit. And a good dealer will have valuable advice to offer on the all-important question of matching—what equipment goes well with what. This is one problem that above all others seems to baffle the buyer—*Hi-Fi Answers* contains dozens of queries of this type every month.

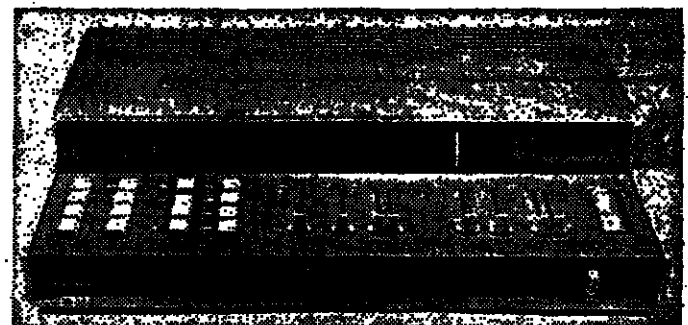
It is not easy to acquire a balanced view of what is on offer, and it is made more difficult for the buyer to make price comparisons when only about two thirds of discount houses include VAT in their published prices. But the rewards of a good system working at its best are well worth putting in a bit of time and effort to achieve.



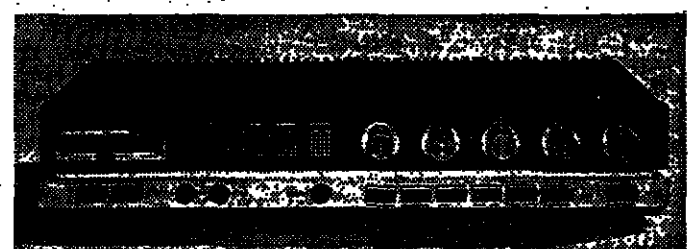
The new Philips motion feedback loudspeaker which incorporates its own power amplifiers and uses a "feedback loop" to give a flatter frequency response. Price is £125 each.



The new Goldring/Lenco ST8000 stereo system has a 40 + 40 watt output, FM stereo tuner and GL78 turntable with G8002 cartridge. It costs £236.



The Scan-Dyna 2400 tuner-amplifier (£150) has earned some good reviews over recent months. Its mixer facility makes it suitable for use by discotheque operators.



The Harrison S200, named after its designer, Mike Harrison, is a 50 + 50-watt integrated unit with an impressive specification. Distributed by Gimar Ltd., it retails at about £186.

DIY gains popularity

At a time when "do-it-yourself" is providing one solution to the problem of rising costs, it is not surprising that growing numbers of enthusiasts are showing an interest in building their own hi-fi. Financial savings are undoubtedly possible although they are unlikely to be very large, and the main satisfaction is bound to lie in producing equipment which works as well as (or sometimes better than) the equivalent shop-bought article and in being able to say "I made it myself."

There are kits on the market which are suitable only for those with experience and others that are intended for the complete novice. The simplest require little more than the use of a screwdriver and spanner. Among the easiest are the Mullard Unilex systems, low-priced equipment, which is easy to put together and requires no soldering. It is suitable for the beginner or, perhaps, for a father to build for his children to discourage them from tampering with his own set-up.

Also easy to build is the Connoisseur BD1 turntable kit, which can be obtained for a little over £10 and which, when combined with a suitable arm and cartridge, can provide quality comparable with that from much more expensive units.

But undoubtedly the most popular item for the home constructor, no doubt because of the absence of fiddly wiring, is the loudspeaker. Here you can either make up a complete kit, such as those from the Heathkit range, which consist of a cabinet already constructed so that the speaker units only have to be mounted within the enclosure and the back-screwed on; or you can choose from a wide variety of kits which supply the drive units plus crossovers and, in some cases, grille cloth, terminal board, wadding, etc., but which leave you to buy the wood, generally chipboard these days, yourself. Among such kits are those made by Richard Allen (Twin, Triple, Super Triple and Triple Eight); Goodman (DIN 20 at under £20); Jordan Watts (a "module" retelling at around £13 and suitable for use singly or in pairs in a variety of enclosures); Eagle (a range of six projects); Heathkit (with or without cabinet); Peerless (seven kits from less than £20 to over £40, cabinet kits for which are made by P. F. and A. R. Helme); Wharfedale (Linton 2, Glendale 3 and Dovedale 3 kits, r.r.p. £23, £42.50 and £65 per pair); and KEF (whose Kefkit 2 and Kefkit 3 have been among the most popular of such units over the past few years, not least because the finished products correspond to the well known Celeste and Concerto models).

As an alternative to these standard models, it is possible to be even more ambitious by building one of the designs that



The Wharfedale Glendale loudspeaker kit, a three-unit system costing £42.50 per pair.

appear from time to time in the hi-fi Press. However, the description of the amount of work involved in some of the larger speakers is likely to deter many people from even starting. To take just one example, the August and November 1973 issues of *Hi-Fi Answers* describe the construction of a transmission line speaker designed by C. J. Rogers. The description of the speaker's construction takes up some six pages and there is a list of "ingredients" some 30 items long, including wood, screws, glue, grille fabric, draught excluder, wadding, and of course, the drive units and crossover components. It is not a job for those who reckon to build a speaker in a couple of evenings.

However, for the enthusiast who prefers tweezers and soldering iron to hammer and nails there are plenty of electronic kits available. The most suitable for the beginner are those made by Heathkit, whose range covers a wide field including baby alarms, stereo compacts, high-performance receivers and advanced test gear. "Full and clear instructions are given with every item and the firm runs an efficient troubleshooting service. Among other kits on offer, those by Sinclair, which generally involve the linking of a number of separate "modules," have become popular over recent years. The company has just produced a new series, the Project 80, which, to say the least, is a novel design visually.

Finally, for the man who really knows what he is doing, the hi-fi Press, as with loudspeakers, publishes occasional designs for amplifiers and (less often) tuners. One such recent model was the amplifier designed by and named after J. L. Linsley-Hood, who described its construction in *Hi-Fi News* from November 1972 to February 1973. Powertrans Electronics offer complete kits of parts and a circuit diagram for about £57. In this case the financial saving is genuine. The amplifier would cost well over £100 if it were generally available, which it isn't.

C.I.

LEAR JET
STEREO 8

The Originators of 8-track stereo

In-car stereo has come a long way since William Lear developed and patented the world's first 8-track cartridge system.

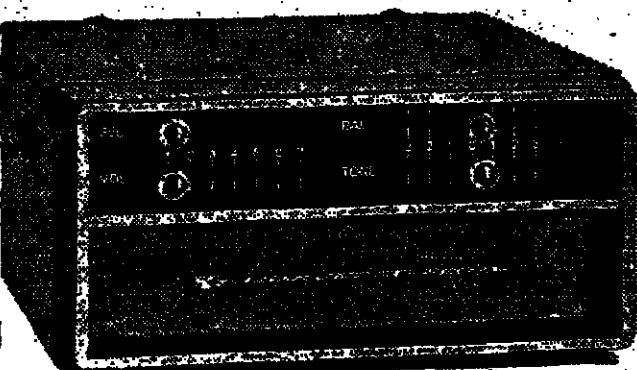
For Bill Lear's sound idea has been adopted by manufacturers throughout the world. Together they produce a vast range of equipment. Cartridges

and cartridge players for in-car, home and background music systems.

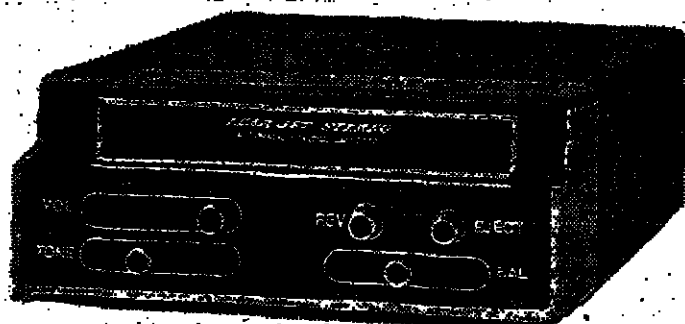
Naturally we're flattered. But we haven't rested on our laurels. Instead we've come up with a few more sound ideas.

You can see and hear them in our new range of in-car and domestic stereo equipment.

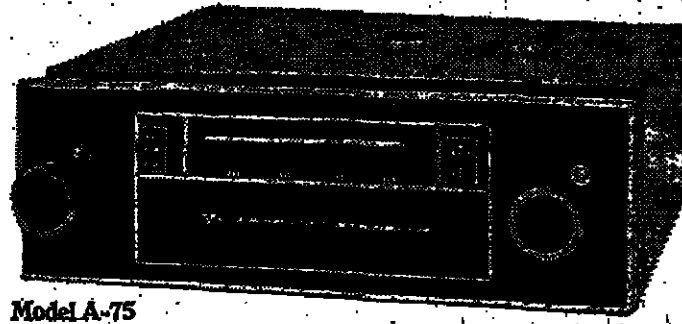
Stay ahead with the Originators Lear Jet



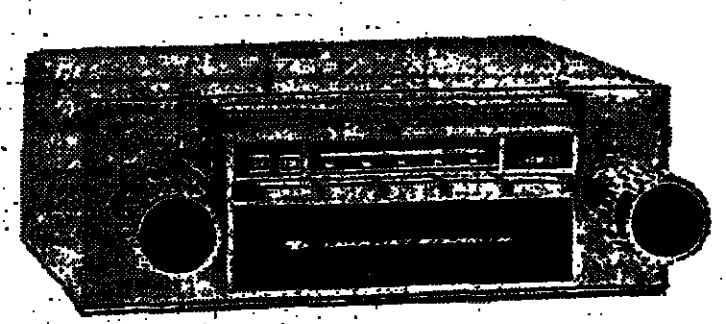
Model A-25
8-track stereo player.
Slide controls for volume, tone and balance.



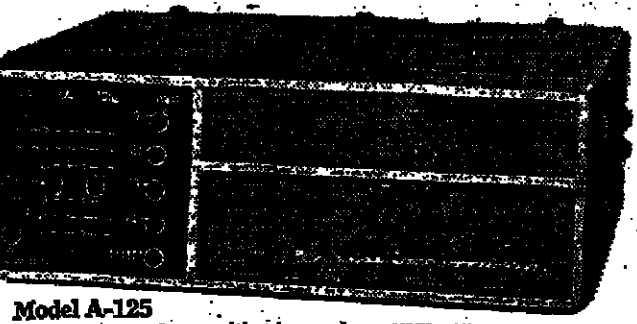
Model A-52
Cassette player with automatic reverse.



Model A-75
In-dash 8-track stereo player with
AM/FM/PM stereo radio.



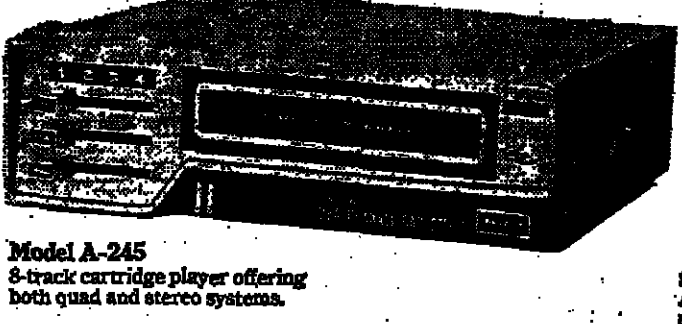
Model A-85
In-dash unit combining 8-track stereo player with AM/FM/PM
push button stereo radio.



Model A-125
8-track stereo player with advanced programmer.
Enables unwanted cartridge programmes to be skipped.



Model A-152
Cassette player with automatic reverse
combined with FM/PM stereo radio.



Model A-245
8-track stereo cartridge player offering
both quad and stereo systems.



Model A-275
8-track stereo cartridge player with
AM/FM/PM stereo radio. With
advanced cartridge programme
selector.

LEAR JET
STEREO 8

Lear Jet Stereo 8 (UK) Ltd, Mastertape House, Blackthorne Road, Poyle Trading Estate, Colnbrook, Bucks. Telephone: Colnbrook 2431

**To: HUI Samuel Life Assurance Limited,
NLA Tower, Croydon CR9 2DR. Telephone 01-686 4355**

Please send me a personal quotation for an annuity

Name (Mr/Mrs/Miss) _____
(Block capitals, please)

Address _____


Capital available for the purchase of an annuity
£ _____

Date of birth _____

Name and address of insurance broker
(if you have one) _____

Please tick if you are an existing
HUI Samuel Life Policy Holder ☐

This offer is not open to residents of the Republic of Ireland.



Such a force was also likely to be more open to doubt concerning its motives for prosecuting, he added.

Commenting on the single voyage "dirty" charter market, John I. Jacobs says: "With major companies in Japan, New York and London reletting vessels it has not been difficult for charterers to reduce freight levels for their Gulf requirements. Latest VLCC ('Very Large Crude Carriers' of over 200,000 deadweight tons) fixtures from Persian Gulf to Europe are at around Worldscale 70.65—a drop of 15-20 points since the end of last week."

[illegible][illegible]

هكذا من الأهل

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

CITY GROUPS	Friday, Nov. 16, 1973	Thurs.	Wed.	Tuesday	Monday	Year ago (approx)	Highs and Low Index
		Nov. 15	Nov. 14	Nov. 13	Nov. 12		
1. Street Closures							

& SUB-SECTIONS											1875	Since Compilation
Index No.	Dist.	Est. Farm's value	Grown This Year	Est. FY Value	Est. FY Value	Index No.	Index No.	Index No.	Index No.	Index No.		

Memberships show number votes per section.	Total Change %	Total % (all)	yield %	Total (net)	(mil)	1966-67											
						High	Low	High	Low								
L GOODS (185)	180.87	+4.8	11.68	4.69	11.00	11.89	148.99	158.67	156.61	161.10	180.81	196.09 (71)	148.99 (151)	158.67 (427)	156.61 (427)	161.10 (427)	180.81 (427)
Building Materials (28)	147.89	+1.6	13.56	4.85	10.10	11.00	148.50	150.26	154.28	159.78	191.17	196.09 (71)	148.99 (151)	158.67 (427)	156.61 (427)	161.10 (427)	180.81 (427)
Building Construction (22)	967.47	+8.9	19.25	8.85	11.45	10.41	868.84	874.29	885.08	894.74	933.66	196.09 (71)	148.99 (151)	158.67 (427)	156.61 (427)	161.10 (427)	180.81 (427)
Materials (17)	868.89	+1.2	11.21	5.84	19.22	19.22	865.74	872.68	877.78	886.27	899.18	196.09 (71)	148.99 (151)	158.67 (427)	156.61 (427)	161.10 (427)	180.81 (427)

ering (Heavy) (15)	180.81	+1.0	12.76	4.84	10.34	10.34	158.77	166.82	168.79	174.88	161.18	202.57	158.77	202.57	161.18
ering (General) (84)	186.81	+0.7	11.14	6.64	12.53	17.54	125.92	129.19	130.55	133.78	164.03	158.54	125.92	168.59	125.92

[illegible]

Old Goods (16)	...	205.88	+0.1	14.42	4.11	9.59	9.54	205.73	210.80	214.38	221.70	239.44	237.99	198.60	263.22	86.56
	(198)	25.35	+2.1	15.85	6.17	8.79	8.71	83.59	86.89	88.48	92.73	116.75	121.21	182.75	33.59	75.93

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... Publishing (16) 217.87 +0.3	11.70	4.03	12.13	12.13	217.13	219.54	223.30	229.40	237.82	250.99	216.08	250.29	81.74
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ing and Paper (14)	97.14	+2.3	11.87	5.75	11.78	11.70	96.00	97.46	141.08	103.81	184.34	135.47	95.00	135.69	87.91
(28)	146.65	+0.8	9.02	5.85	15.83	146.50	147.99	150.46	164.58	189.70	185.50	147.99	87.91
(20)	164.32	+0.9	13.08	5.76	9.87	163.78	166.74	169.65	176.89	189.70	173.50	161.55	87.91
(3)	324.90	+0.3	12.55	6.99	11.08	11.03	324.16	320.24	326.66	343.52	306.79	289.56	87.91
nd Games (5)	62.13	-1.7	12.54	3.54	11.13	11.13	63.31	64.97	65.99	67.86	76.30	80.19	87.91

GROUPS															
als (22)	156.52	+0.4	8.85	4.42	15.23	15.60	155.96	157.93	159.31	155.98	184.50	191.47	155.24	201.92	93.29

Equipment (10)	...	169.41	-0.8	6.03	2.81	31.86	31.86	170.88	178.41	183.16	185.81	215.87	(171) (181)	(181/191)	(181/201)
g (10)	...	182.77	+2.4	9.10	4.02	13.05	11.80	428.66	446.68	455.03	466.46	469.78	(191/201)	(191/211)	(191/221)
aneous (41)	...	189.63	+1.5	10.34	4.16	15.81	15.80	126.76	193.36	197.88	202.46	243.48	(201/211)	(201/221)	(201/231)
RIAL GROUP (496)	162.37	1.10	10.86	4.41	13.08	12.98	161.50	163.76	168.75	178.50	205.78	207.00	161.60	160.17	160.61
	...	188.71	...	5.59	4.58	13.71	17.90	264.79	264.02	260.28	268.43	301.41	269.39	267.05	267.33

SHARE INDEX	172.39	+1.1	9.93	4.43	13.88	13.40	170.44	174.30	178.74	181.79	184.14	171.40	170.44	187.95	184.86
												(10/1)	(15/11)	(16/8/72)	(26/6/68)

AL GROUP (101)	181.04	+1.5	—	3.38	—	—	178.45	194.37	169.77	126.48	231.45	100.00
(8)	199.46	+2.4	13.45	3.15	10.51	10.51	164.94	201.71	190.28	215.47	234.78	100.00
ce Houses (8)	186.87	+1.8	—	7.39	—	—	195.98	193.69	169.81	191.47	237.09	100.00
urchase (5)	192.92	—	11.72	4.22	12.11	12.11	189.10	208.53	190.66	235.69	234.78	100.00
ce (Life) (8)	183.27	+1.0	—	4.05	—	—	182.01	138.49	137.06	140.37	188.83	100.00
ce (Composite) (8)	101.40	-2.2	—	5.03	—	—	103.77	103.58	103.71	106.50	139.08	100.00

ce (Brokers) (8)	...	208.62	+1.0	7.63	3.55	18.54	18.54	206.58	208.25	211.97	215.40	245.46	249.06	251.00	252.37	252.50
nt Banks (18)	...	184.35	+1.1	—	3.00	—	—	182.95	187.77	192.40	196.78	230.58	235.19	238.35	278.57	30.47

[illegible]

10-1	15-11	15-72	25-500
DUTY GROUPS			

Included in 500 or more indices)															
(10)	439.03	-0.9	4.85	4.68	27.91	22.08	443.02	456.94	464.46	466.68	538.21	556.37 (2/7)	515.69 (2/1)	555.27 (2/7/7)	54.69 (2/6/9)
(4)	109.98	+0.1	5.97	7.99	52.07	39.27	106.65	111.58	112.28	111.03	101.85	120.58 (1/7)	130.71 (1/7)	151.47 (1/7)	59.96 (1/7)
(0)	400.08	+0.6	25.37	13.99	3.94	29.84	108.93	128.95	129.40	129.03	145.80	157.90 (1/7)	170.50 (1/7)	167.78 (1/7/7)	54.98 (1/7/7)
Finance (11)	95.90	+0.3	7.02	3.15	15.87	15.34	95.56	95.77	98.90	99.65	109.39 (2/7)	95.56 (2/7)	95.56 (2/7)	102.32 (2/7/7)	70.32 (2/7/7)

...	95.48	-0.1	7.56	6.85	17.15	18.43	96.50	97.34	97.75	97.58	98.51	120.34 (12/1)	83.07 (12/6)	120.34 (12/1/75)	94.53 (12/7/6/71)
-----	-----	-----	-----	-------	------	------	------	-------	-------	-------	-------	-------	-------	-------	------------------	-----------------	---------------------	----------------------

INTEREST	Friday, Nov. 18		Wed.	Wed.	Tuesday	Monday	Friday	Thursday	Wed.	Year ago (approx.)	1973		Compilation		
	Index No.	Yield %	Nov. 19	Nov. 14	Nov. 13	Nov. 12	Nov. 9	Nov. 8	Nov. 7		High	Low	High	Low	
			2½% yield	12.07	12.14	12.21	*12.03	11.90		11.48	11.48	11.48	9.99	-
Govt. Stocks (6)	...	59.35	111.08	59.34	59.97	59.36	61.97	63.26	68.41	69.12	75.33	74.39 (2512)	58.97 (4410)	114.48 (12969)	59.97 (4412)
Dep. Deb. & Loans (15)	...	68.04	118.79	57.90	57.95	58.97	61.09	61.34	61.35	61.94	71.95	65.11 (252)	59.11 (4411)	114.48 (12969)	59.97 (4412)
Corp. Bonds (15)	...	68.04	118.79	57.90	57.95	58.97	61.09	61.34	61.35	61.94	71.95	65.11 (252)	59.11 (4411)	114.48 (12969)	59.97 (4412)

and Indl. Prefs. (20) ...	64.00	12.19	64.32	64.62	66.38	69.02	69.11	69.19	69.35	78.69	77.55	84.00	114.41	64.00
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Base Date	Base Value	Section or Group	Base Date	Base Value
31/12/71	153.94	Industrial Group	31/12/70	129.96
31/12/71	153.94	Manufactures Financial	31/12/70	129.96
29/12/67	114.33	All Other	30/12/62	100.00
29/12/67	114.33			
29/12/67	95.67			
29/12/67	138.00			
16/7/70	146.76			

2. Redemption yield, F.T. average rates are calculated by Euro-Commodity Limited (a member of the Exchange Telegraph Group) on an 1800 3/8 computer.

10/1/70	235.72	A list of the constituents of the F.Y.-Actuarial	Construction).
16/1/70	262.74	Share indices is now available from the Publishers,	* Corrected.

PROPERTY, BONDS	Yield %	Yield %	Yield %
Fidelity Life Assurance Ltd.		Life Assur. Co. of Pennsylvania	
Fidelity Home, Fidelity Term, Fidelity Indemnity, Fidelity Life, Fidelity Life Insurance Co. Ltd.		20 New Bond St., NEWY 17, 01-68 1336	Save & Prosper Group
Archard, E.C.A. 348 911		WACOP Fund, 964	Ch. St. Hotel, NEWY 17, 01-68 1336
30.7 32.6	38.5-41.7	Leahy's Life Assurance Ltd.	Equity Bond, 104.5 105.9-1.0
52.5 24.5	21.5-2.5	21, Lombard St., WCM FLA. 01-62 9831	Equity Pension Fund, 94.5 95.5-0.9
165.5 165.5	53.4 53.6	L'Esperance & Co., 01-67 1401	Mini Bond, 24.2 25.5
	51.0 53.7	London Indemnity & General	Property Fund, 112.5 113.5
			124, 126 111.2

146.8	146.4	-----	United House, W.11	61-329 6108	Northcliffe House, Colston Ave., Bristol	61-329 6108
144.3	132.8	-----	WLandbank Sec	91.08	2.17	61-329 6108
170.3	74.1	-----	WLandbank Sec	91.08	2.17	61-329 6108
71.3	74.1	-----	WLandbank Sec	91.08	2.17	61-329 6108

[illegible][illegible][illegible]

828	-14	-	HSH Samuel Life Ass. Ltd.	Capital Units.....	\$1,795,120	-----	-	Trident Gen'l Inv Fd	94.00	89.50	-----	-
10.06	-0.62	-	NLA Trw., Addiscombe Rd., Croy. 696 4355	NEL Pensions Limited			-	Trident Prop Fnd	85.880	100.50	-----	-
			HUSPam Fm Unit 11507 158 N				-	Trident Equity Fd	91.50	86.50	-----	-

[illegible]

75.1	76.7			Pan Gth Fd Nov 8/88.3	41.6			NOR 98A	Equity Fd Oct 17	149.0		
75.2	76.8			The Individual Life Ins. Co. Ltd.				NOR 98A	Prop. Fd Oct 17	144.0		
				Nw'n Unit Nov 18	135.5	-4.4	-		Sdo. Fd Oct 17	156.6		

[illegible]

114.0	---	---	Union Ind. Fund	101.1	Phoenix Assurance Co. Ltd.	Parfen Plan Nov. 1	83.2	---	---
110.5	---	---	Union Prop. Fund	69.4	43 King William St. ECP 4BR.	61-225 9674	6-way Md Pn Pd N1	107.4	---
108.5	---	---	Union High Yields	77.3	777 The Acad. Bldg. 134 E.	98 45	Way Md Pn Pd Nov. 1	115.4	---

[illegible]

68.0	King & Shaxson Ltd.	785.0	Exempt Prop. Pd.	105.9	2.1
98.0 103.5	RE Cornhill, E.C.2	134.5	Exempt Prop. Pd.	124.2	+0.1
		54.0	Exempt Inv. Tot. Pd.	95.5	2.9

[illegible]

5.3	46.5	+0.4	5.78	Property Pl Unit, 182.1 139.7	Reliance Mutual	NOTES
				Life & Equity Assurance	Timbridge Wells, Kent.	3 Yield allows for all buying expenses.
						insurance except where otherwise indicated.

[illegible]

HOTELS—Continued

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[illegible]

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MAN OF THE WEEK

It is his toughest job yet

BY JAMES ENSOR

THE MOTOR industry is a tough, demanding business, especially for the men at the top. Mistakes are rarely forgiven, for by the time they become apparent, millions of pounds or dollars have been committed—and lost.

Terry Beckett who, at the age of 50, has been chosen to replace Sir William Wally as the chief executive of Ford of Britain is well aware of the demands of the job. In the past few years, two of his colleagues, Hans-Adolf Barthelme, who was the managing director of Ford Werke in Germany, and Stan Gillen who was the top Ford man in Europe, have retired early. The previous managing director of Vauxhall in Britain, David Hegland, left General Motors at his own request.

Popular

In a company which seems to breed tough, even hard senior executives, Terry Beckett stands out as a kind and charming man. He is much quieter and more relaxed than the stereotyped automobile executive as described in books like Arthur Hailey's "Wheels" which was of course, based on Ford men in Detroit.

Beckett is evidently a very popular man, indeed a popular and natural choice to head Ford in Britain. His colleagues speak of his willingness to listen to everyone's point of view and to try to persuade them to his line rather than to dictate.



His career since he joined Ford as a graduate trainee in 1950 has been one of almost unbroken success—which he modestly attributes to having been in the right place at the right time. At the remarkably young age of 31 he was given the key job of product planning for Ford of Britain, which at that stage developed its models relatively independently of the American and German Ford companies.

The three vehicles for which he was responsible, the original Cortina, the D Series Truck and the Transit van, still rank as the three outstanding successes of Ford's product line.

The two commercial vehicles, in particular, have now given Ford market leadership throughout Europe as well as in Britain, helping the company to push up from the fifth or sixth place in the van market to first place in the Transit van before they were introduced.

Finest hour

Beckett still looks back upon the truck and van developments as his finest hour. Within the company, though, he is best remembered for the Cortina. This car was designed at a time when Ford was under heavy pressure from the BMC Mini which had climbed to the top of the market and cut into Ford sales. Beckett, instead of copying the principles of the Mini with an advanced, engineered small car, pointed out that Ford could more profitably attack the middle of the market.

The first Cortina provided a genuine breakthrough in cost, size and performance in the medium car class. A car of strictly conventional engineering and without much embellishment, it nevertheless proved to be exactly what the average British buyer wanted.

Beckett's meticulous costing and budgeting proved their value with the Cortina programme. The car cost some 15% less than target on direct cost (a much bigger achievement than it sounds), saved £100,000 in planned investment and was developed in the record time of 19 months. The Cortina saved Ford of Britain's market share and made a lot of money for the company.

From then on Beckett's career was made. He was promoted to sales director and recently has been in charge of Ford sales in Europe, except for Britain and Germany. In that time, he has welded a team of 15 to 20 regionalists into a coherent force. He has won Ford market leadership among importers in France and Italy. But as he himself admits, his new job will be the toughest yet.

THE LEX COLUMN

The price Transatlantic bidders pay

A bear argument understood is a bear argument discounted, and the one thing that nobody understands at the moment is the oil supply situation. So long as that remains true, the market will remain vulnerable to the sort of violent emotional swings evident on Thursday and late Friday this week. All that can be said for the moment is that the worst time to sell shares over the past six months has been when the Index has made a new low, as it did this week. In the past a sharp sell-off has been the prelude to a rally which at any rate has provided a better selling opportunity.

Takeover prices

With the Transatlantic takeover trade in full swing, yesterday provided the opportunity to examine one bid from the U.S. and to re-examine one from Canada. This is a useful conjunction, since in bid number one—RCA for Oriel Foods—there is a hefty premium on the pre-bid price; in the other, Moore/Lamson, the latter has been under attack for (a) not

insisting on a full scale offer since September. But what RCA is paying for, in addition, is a particular style of management; and that provides the link to what, in the Moore/Lamson bidding, Moore was prepared to pay and Lamson to accept.

The debate here was between opportunity cost and the competitive threat. Moore (and many others) sees Europe as the next major growth area for computers, with EEC growth rates forecast at 16 per cent. compound over the next six years. It has to get in, but it did not necessarily have to come in via Lamson which, due to unfortunate diversifications rather than the basic business forms operation, has had a disappointing record over the past ten years. The alternative, seen from Lamson's point of view, might have been the introduction of "grass roots" competition, from what is regarded as one of the best managements in the world; and if Moore had been in competition with Lamson, it might then want to get rid of the 20 per cent. of the Lamson stock it owned already. What opposition there is to a price of 100p, for a p/e of just over 16 on the outgoing stock, will probably admit that Moore made the best of its negotiating advantages; all the better for the remaining 48 per cent. at 87p last night.

Wedgwood

Wedgwood's first half has followed very much the pattern of last year's second six months, with sales up just over a fifth and pre-tax profits more than doubled to £1.64m. But from now on progress will be rather harder to achieve, and indeed sales have advanced very little between the last two successive halves, while profits and margins have eased back. At least demand remains very buoyant in all world markets, particularly in the U.K. and in the North American and Australian markets which take the bulk of exports (two-thirds of sales). But a labour-intensive group like Wedgwood inevitably finds it hard to push up output fast

when the labour market is tight, and growth in volume for the year may be limited to 5-10 per cent. Logically, Wedgwood is putting the emphasis on its plans for higher export prices.

The effect of yen revaluations on Japanese competition is obviously relevant here (though the yen is now weakening again) and the recent strength of the dollar amounts to a step in the right direction for Wedgwood. The trend of sales should be roughly maintained for the full year, pointing to pre-tax profits of around £3.75m. (against £2.58m.) and a prospective p/e of just under 10 at 153p. That looks undemanding, but in the absence of any scope for improvement in U.K. margins the group's prospects essentially depend on the relationship of U.K. costs to U.S. selling prices, and it is hard to get very enthusiastic on that score.

GRE/Metropolitan

Discreet murmurings among a rights issue.

Guardian Royal Exchange shareholders against the proposed bid for Metropolitan Trust may have less to do with any change in the market background than with the job protection instinct among the investment community, or the possibility that some shareholders are also underwriting the offer. That may prove a costly exercise, since GRE is being underwritten at 200p, against 228p before the news and 190p now; the underwritten offer is worth 183p per share against 173p for the share exchange.

Since the bid will add a quarter to GRE's equity, every one must be hoping for a market rally. But always assuming that GRE—with its relatively strong solvency margin—at market values—needed to broaden its equity base in the first place, shareholders' attitudes will not be changed by the recent market declines. Metropolitan's net worth must still be around 170p per share, and this move is certainly preferable to a rights issue.

Oil, power cuts may cost Japan 10% of output

By CHARLES SMITH and PETER DUMINY

TOKYO, Nov. 16.

JAPANESE INDUSTRY is to be instructed to reduce its consumption of oil and electricity by 10 per cent. during the remainder of this year as part of a plan for meeting the oil supply crisis. Government officials announced today.

It was made clear, however, that the 10 per cent. cut, which is expected to produce at least a corresponding decline in the volume of industrial production, is only a preliminary measure. Heavier cuts may well be imposed after the new year unless the oil situation takes an unexpected turn for the better.

In presenting the Government's plans for saving, officials estimated today that Japan's total oil imports for the six months from October, 1973 to March, 1974 would be 20 per cent. below "normally expected levels." The reduction in supplies, however, will be proportionately greater during what remains of this six-month period, since reductions in October and the first half of November have been marginal.

Moreover, it is admitted that the 20 per cent. reduction estimate could well turn out to be optimistic. The Petroleum Association of Japan (the body representing Japan's refining industry) has estimated the supply cutback at 30 per cent. This is on the assumption that apart from production cuts in

the Middle East, Japan will face diversion to other markets of some of the crude oil which would normally reach it from Iran and Indonesia.

It is clear that the Government has not yet managed to find ways of reducing oil consumption on anything like the scale of the expected supply cuts. To-day's emergency package, which included a variety of measures aimed at the public as well as the industrial power cuts, is expected to produce an overall saving in oil consumption of only 8 to 9 per cent.

The balance between this and the shortfall in supplies will be met by drawing down stocks, described today as being at a "very meagre level," and by trying to find substitutes for oil. The Government says it hopes to turn oil-burning electric power stations over to coal and to step up the use of hydro-electric power.

In the last resort, however, it is admitted that Japan is not cutting oil consumption by a greater amount for the time being simply because it is not ready to face the consequences of such a cut. Officials say that a cut of more than 10 per cent. in the power consumption of industry would involve consequences for the economy which would be "too grave" to be acceptable. As it is, they expect

Other oil news, Page 13

Key moves soon in miners' and power engineers' disputes

By JOHN ELLIOTT, LABOUR EDITOR

KEY MOVES over the next few days will determine the future of the electricity engineers' and miners' pay disputes which so far have had only marginal effects on the country's power supplies and fuel stocks.

Curbs introduced under the Government's State of Emergency are believed so far to have cut electricity demand sufficiently to more or less cancel out the effects of the engineers' ban on out-of-hours working. At the same time, coal stocks are being reduced by the miners' overtime ban.

The series of key meetings starts today when the Electrical Power Engineers' Association opens a three-day session of its national executive council in advance of talks next Tuesday with the Electricity Council. But last night there seemed little hope that these meetings will lead to a break in the engineers' deadlocked pay dispute because the Government, in talks earlier this week, was not prepared to make a special case of the engineers under the Stage Three Pay Code.

In this situation, the industrial action could continue, with increasingly serious effects, into next month. This is because the EPEA does not appear to be prepared to accept in advance suggestions from Government Ministers that it might be awarded special pay treatment in the Pay Board's report on relationships due next month.

On Monday the National Union of Mineworkers holds what is probably the last in its current series of talks with the National Coal Board before a special meeting of its national executive on Wednesday. The NCB yesterday held a special Board meeting to review progress.

The talks are centring around items such as re-arranging the basic 7 per cent. pay offer already made to miners to try to compensate those who will not do well out of Stage Three's special "unsocial hours" payments. Talks are also embracing pension and sick pay levels and a productivity deal.

The aim of those wanting an early settlement is to persuade the NCB executive to order a ballot of the country's 280,000 miners which, it is hoped, would lead to a peaceful settlement of the miners' pay dispute.

Effects of the miners' action on coal production could increase early next week because the miners will not be carrying out their normal maintenance work this week-end. Yesterday a South Wales miners' leader forecast a 50 per cent. cut in his area's coal output next week.

The electricity dispute caused no cuts or reductions in electricity production yesterday although warnings were issued last night that the supply position would be tight this week-end. In Scotland, some 3,000 electricity consumers have

Jump in Treasury bill rate

By Our Economics Correspondent

THE RATE of interest on Treasury bills rose sharply at yesterday's tender in line with the jump in market rates imposed by the authorities earlier in the week.

As a result, the Bank of England was able to re-activate the normal formula used to calculate its minimum lending rate to the money market. This was abandoned when the crisis measures were announced on Tuesday, and minimum lending rate, independently pushed up from 11½ per cent. to 13 per cent. with the clearing banks lifting their own base lending rates by 2 per cent. to the same level.

At yesterday's tender, the average rate of discount on Treasury bills was 12.4125 per cent., a rise of 17002 per cent. from the previous week. Using the normal formula for working out minimum lending rate (Treasury bill rate plus ½ per cent. rounded up to the nearest ½ per cent.) this would produce the 13 per cent. rate that the Bank had set.

While technically the formula is now restored, however, it is thought unlikely that the authorities would welcome any reduction in the MLR after next week's tender, or indeed that the money market would change rates to this extent following the very clear lead given by the authorities.

At the same time, it was announced yesterday that lending rates to local authorities at the Public Works Loan Board were being increased sharply by between ½ per cent. and 2½ per cent., giving a range of rates between 12 and 13½ per cent.

While the big banks are considering the action they need to take following the further credit restraints introduced this week. There appears to be some debate over the extent to which it will be necessary to cut back on lending as a result of the further call of special deposits, though all the banks expect to take an even more critical view of new requests for loans in the light of the guidance already given by the Bank of England.

A spokesman for the National Westminster Bank commented: "While we are not in a lending position is under consideration at the highest level in the light of Government policy. Meanwhile, we are continuing to be selective in all lending, bearing in mind the essential needs of manufacturing and exports."

The Prime Minister apparently got a good reception for his ideas on turning the summit meetings into a sort of "Euro-Cabinet," which would determine major policy objectives and constantly review progress towards their achievement.

The Chequers agenda to-day is 9-13.

Continued from Page 1 Price rises

pound on imported lamb and 1p a pound on sausage and chickens.

In a speech to Leicestershire farmers last night, Mr. Corder said the increase between September and October was "very far from being the whole story at this time." Higher world prices had already had some effect on bread, biscuits and cakes, but part of the effect had still to pass through the pipeline.

The Minister said that higher world prices were bound to affect food prices indirectly because of dear animal feedstuffs. Brighter aspects of the picture were the record grain harvests in the northern hemisphere, including the U.K., and the expansion of Britain's livestock numbers. "With an easing in world cereal prices there should eventually be a downturn in retail food prices," he forecast.

In Whitehall, last month's food price rise is looked upon as "exceptional," and the current month's figures are confidently expected to present a far less grim picture. The rise in seasonal foods was bigger than expected (in fact last October saw a 0.1 per cent. decrease in this sector). Overall, the food index was 18.7 per cent. higher than the same month last year and seasonal foods were 36.4 per cent. up.

Since the Government's prices and wages "freeze" was introduced last November food prices have risen by 17.7 per cent. and the rise since the General Election in June 1970 has been 44.8 per cent.

Mr. Len Murray, general secretary of the TUC, urged the Government to take emergency powers to halt the price rises.

'Excellent' start at Chequers

By PHILIP RAWSTORNE

MR. EDWARD HEATH, the Prime Minister, and President Pompidou of France made "an excellent start" yesterday to their two days of talks at Chequers on EEC issues and the Middle East.

The two leaders, accompanied only by interpreters, ended more than five hours of discussion at 7 o'clock last night in an atmosphere described as "most friendly and businesslike." President Pompidou was staying overnight at Chequers, and the talks will be resumed this morning.

Much of the discussion yesterday centred on the development of closer political co-operation, especially in foreign policy, within the EEC. Both leaders are convinced of the importance of a united Common Market voice in world affairs, after Europe's failure to wield any significant influence in the Middle East conflict.

While agreeing on the urgent need for a peaceful settlement in the Middle East on the basis of the UN Resolution 242, the two leaders discussed the development of a common European position on the political and economic implications of the situation.

Mr. Heath and President Pompidou, both of whom are in favour of regular twice-yearly meetings of Common Market leaders, also discussed the form that such meetings might take in future, and their role in the movement towards political unity.

The Prime Minister apparently got a good reception for his ideas on turning the summit meetings into a sort of "Euro-Cabinet," which would determine major policy objectives and constantly review progress towards their achievement.

The Chequers agenda to-day is 9-13.

expected to include the question of further progress towards economic and monetary union. President Pompidou was expected to discuss with Mr. Heath his intentions about the gradual running down of sterling balances and the return of the pound to a fixed parity.

Though present economic conditions would appear to preclude any faster progress by the U.K. Government, Mr. Heath has so far steadfastly refused to abandon the 1980 deadline set at the Paris summit.

President Pompidou will return to France to-day, after attending a ceremony at Chequers for the signing of the Channel Tunnel Treaty, and visiting Windsor Castle for tea with the Queen.

Britain made a compromise offer to France earlier this week in an attempt to reach an agreement on a European policy for uranium enrichment.

At present, Europe is divided into two camps, the centrifuge process sponsored by Britain, Germany and Holland, and the gaseous diffusion process sponsored by France with the backing of Belgium, Italy, Spain and Switzerland.

The terms of the most recent British proposal have not been revealed, but it was reported earlier this week that the Brussels Commission would propose the parallel development of both processes.

Picture Page 14

WOOLMARK AT CARPET SHOW

The International Wool Secretariat will feature nearly 700 Woolmark carpet ranges on the stand at the International Trade Fair for home textiles and floor coverings, in Frankfurt (January 1974).

Educational Insurance

GRE

Guardian Royal Exchange Assurance Group
Royal Exchange, London EC3P 1DN
Branches throughout U.K.

Weather

U.K. TO-DAY

COLD, with frost at night. Snow in the North-East, mainly dry in the West.
London, S.E. England, E. Anglia, S.E. Midlands
Bright intervals, wintry showers at first. Wind N.W., fresh. Max. 5C (41F).

S. S.W. and Cent. S. England, W. Midlands, Channel Is., S. Wales
Mainly dry, sunny spells. Wind N.W. to S.E., light to moderate. Max. 5C (41F).

E. N.E. and Cent. N. England, Borders, Edinburgh and E. Scotland, Aberdeen, Cent. Highlands, Moray Firth, Caithness, Orkney, Shetland
Bright intervals, snow showers at first. Wind N.W. to variable, fresh to light. Max. 4C (39F).

N. Wales, N.W. England, Lakes, I. of Man, S.W. and N.W. Scotland, Glasgow, Argyll, N. Ireland
Bright intervals, early snow showers. Wind W. to S.E., light to moderate. Max. 5C (41F).

Outlook: Rain at times. Lighting-up: London 16.30, Manchester 16.40, Glasgow 16.35, Belfast 16.50.

BUSINESS CENTRES

City	Day	Temp	City	Day	Temp
Alexandria	F	23	Luxemb.	R	12
Amman	F	15	Madrid	S	12
Algiers	F	20	Manchestr.	S	12
Bahra	F	28	Moscow	S	18
Bombay	F	28	Munich	S	12
Buenos Aires	F	28	New York	S	12
Cairo	F	28	Osaka	S	12
Calcutta	F	28	Paris	S	12
Colon	F	28	Perth	S	12
Hankow	F	28	Rangoon	S	12
Harbin	F	28	Seoul	S	12
Hong Kong	F	28	Singapore	S	12
Kobe	F	28	Tokyo	S	12
London	F	28	Yokohama	S	12

HOLIDAY RESORTS

City	Day	Temp	City	Day	Temp
Algeria	F	20	Amman	F	15
Algiers	F	20	Bahra	F	28
Bombay	F	28	Bombay	F	28
Buenos Aires	F	28	Buenos Aires	F	28
Calcutta	F	28	Calcutta	F	28
Colon	F	28	Colon	F	28
Hankow	F	28	Hankow	F	28
Harbin	F	28	Harbin	F	28
Hong Kong	F	28	Hong Kong	F	28
Kobe	F	28	Kobe	F	28
London	F	28	London	F	28
Luxemb.	R	12	Luxemb.	R	12
Madrid	S	12	Madrid	S	12
Manchestr.	S	12	Manchestr.	S	12
Moscow	S	18	Moscow	S	18
Munich	S	12	Munich	S	12
New York	S	12	New York	S	12
Osaka	S	12	Osaka	S	12
Paris	S	12	Paris	S	12
Perth	S	12	Perth	S	12
Rangoon	S	12	Rangoon	S	12
Seoul	S	12	Seoul	S	12
Singapore	S	12	Singapore	S	12
Tokyo	S	12	Tokyo	S	12
Yokohama	S	12	Yokohama	S	12

S-Snow, ST-Storm, F-Fog, R-Rain.

WEIR PUMPS LAYS OFF 1,600

Weir Pumps, part of the Weir Group of engineering companies, Cathcart, Glasgow, last night laid off their skilled labour force of 1,600 employees following the breakdown of talks to end a formula for settling an unofficial pay strike of 370 ancillary workers which started on Wednesday.

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